



February 17, 2006

---

---

## ENGROSSED SENATE BILL No. 260

---

DIGEST OF SB 260 (Updated February 15, 2006 10:56 am - DI 92)

**Citations Affected:** IC 6-1.1; IC 6-1.5; IC 8-22; IC 21-2; IC 36-7; noncode.

**Synopsis:** Various property tax issues. Specifies when a lot or tract held for sale in the ordinary course of trade or business may be reassessed for property tax purposes. Provides that information regarding certain property tax benefits available to owners of single family residential property must be included in the instructions for completing the sales disclosure form. Adjusts the procedure for a public utility company to appeal a distributable property assessment. For depreciable personal property eligible for tax abatement and subject to the 30% minimum valuation limitation, specifies the amount of assessed value used to compute the deduction. Allows a designee of the commissioner of the department of local government finance (DLGF) to attest copies of certain documents. Allows a taxpayer that initiated an appeal to the DLGF of a political subdivision's budget, rate, and levy to seek judicial review if the DLGF fails to act on the appeal in a timely manner. Allows the county auditor to amend assessed valuation information provided to the DLGF and political subdivisions  
(Continued next page)

**Effective:** Upon passage; May 10, 2005 (retroactive); January 1, 2006 (retroactive); July 1, 2006; January 1, 2007.

---

---

### Kenley, Simpson, Hume

(HOUSE SPONSORS — ESPICH, WELCH)

---

---

January 9, 2006, read first time and referred to Committee on Tax and Fiscal Policy.  
January 19, 2006, amended, reported favorably — Do Pass.  
January 23, 2006, read second time, amended, ordered engrossed.  
January 24, 2006, engrossed. Read third time, passed. Yeas 47, nays 0.

#### HOUSE ACTION

February 2, 2006, read first time and referred to Committee on Ways and Means.  
February 16, 2006, amended, reported — Do Pass.

---

---

ES 260—LS 6865/DI 52+



C  
o  
p  
y

that is used to set property tax rates. Provides that when a county auditor receives notice of a decision by the board of tax review in an appeal from a decision by a county property tax assessment board of appeals (PTBOA) or the DLGF, the county auditor (instead of the board of tax review) shall distribute copies of the decision to taxing units for which the assessed value of the appealed items is at least 1% of the total gross certified assessed value of the taxing unit. Provides that in an appeal from a decision of a local assessing official or a PTBOA, the board of tax review may subpoena witnesses and documents. Provides that if the board of tax review fails to render a decision in an appeal from an action of the DLGF, the entity that initiated the appeal has the option of waiting for a DLGF decision or requesting judicial review. Provides that the DLGF rules for assessment of real property are not required to include instructions for determining depreciation or reproduction cost. Permits property tax rates to be calculated using a reduced assessed value for property to reflect the effects of pending property tax appeals. Bases a civil taxing unit's maximum property tax levy on the greater of the unit's maximum levy or actual levy for the previous year. Allows certain growing civil taxing units to appeal for an excessive property tax levy. Changes the annual deadline for filing for various property tax benefits. Specifies when returns, other documents, and property tax payments are considered to be received. Exempts delinquent tax collections from deposit in the excess levy fund. Permits a designating body to waive errors in tax abatement forms and noncompliance with filing dates. Extends certain exemption filing deadlines. Establishes a property tax deduction that phases in the increased assessed value from rehabilitation or enlargement of residential real property. Provides that the investment deduction for personal property does not apply to certain personal property. Allows an individual to claim a homestead credit for a partially completed dwelling that the individual intends to use as the individual's principal place of residence. Provides that the base assessed value of property in a tax increment financing allocation area is adjusted each time an annual adjustment is made. States requirements for maintaining a class action suit against the DLGF. Permits an assessment for undervalued or omitted property to be offset against certain overpayments of tax liability. Permits a county auditor to establish a special nonreverting fund to receive additional property taxes attributable to a contract for the discovery of property that has been undervalued or omitted from assessment. Allows a school corporation to petition the DLGF requesting approval to incur bond indebtedness to implement solutions to contractual retirement or severance liability. Allows credits, deductions and exemptions for certain taxpayers.

**C  
o  
p  
y**



February 17, 2006

Second Regular Session 114th General Assembly (2006)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2005 Regular Session of the General Assembly.

## ENGROSSED SENATE BILL No. 260

A BILL FOR AN ACT to amend the Indiana Code concerning  
taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1 SECTION 1. IC 6-1.1-3-17 IS AMENDED TO READ AS  
2 FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]:  
3 Sec. 17. (a) On or before June 1 of each year, each township assessor  
4 of a county shall deliver to the county assessor a list which states by  
5 taxing district the total of the personal property assessments as shown  
6 on the personal property returns filed with the assessor on or before the  
7 filing date of that year and in a county with a township assessor under  
8 IC 36-6-5-1 in every township the township assessor shall deliver the  
9 lists to the county auditor as prescribed in subsection (b).  
10 (b) On or before July 1 of each year, each county assessor shall  
11 certify to the county auditor the assessment value of the personal  
12 property in every taxing district.  
13 (c) The department of local government finance shall prescribe the  
14 forms required by this section.  
15 (d) **The county auditor may after complying with IC 6-1.1-17-1**  
16 **adjust the list of taxable property received under this section to**  
17 **reflect deductions and exemptions granted after the date the list is**

ES 260—LS 6865/DI 52+



C  
o  
p  
y

prepared.

SECTION 2. IC 6-1.1-4-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]:  
Sec. 12. (a) As used in this section, "land developer" means a person that holds land for sale in the ordinary course of the person's trade or business.

(b) As used in this section, "land in inventory" means:

(1) a lot; or

(2) a tract that has not been subdivided into lots; to which a land developer holds title in the ordinary course of the land developer's trade or business.

(c) As used in this section, "title" refers to legal or equitable title, including the interest of a contract purchaser.

(d) Except as provided in subsections (h) and (i), if:

(1) land assessed on an acreage basis is subdivided into lots; ~~the land shall be reassessed on the basis of lots. If or~~

(2) land is rezoned for, or put to, a different use; the land shall be reassessed on the basis of its new classification.

(e) If improvements are added to real property, the improvements shall be assessed.

(f) An assessment or reassessment made under this section is effective on the next assessment date. ~~However, if land assessed on an acreage basis is subdivided into lots, the lots may not be reassessed until the next assessment date following a transaction which results in a change in legal or equitable title to that lot.~~

(g) No petition to the department of local government finance is necessary with respect to an assessment or reassessment made under this section.

(h) Subject to subsection (i), land in inventory may not be reassessed until the next assessment date following the earliest of:

(1) the date title to the land is transferred by:

(A) the land developer; or

(B) a successor land developer that acquires title to the land;

to a person that is not a land developer;

(2) the date on which construction of a structure begins on the land; or

(3) the date on which a building permit is issued for construction of a building or structure on the land.

(i) Subsection (h) applies regardless of whether the land in inventory is rezoned while a land developer holds title to the land.

SECTION 3. IC 6-1.1-5-14, AS AMENDED BY P.L.88-2005,

C  
o  
p  
y



SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 14. Not later than May 15 each assessing official shall prepare and deliver to the county assessor a detailed list of the real property listed for taxation in the township. On or before July 1 of each year, each county assessor shall, under oath, prepare and deliver to the county auditor a detailed list of the real property listed for taxation in the county. In a county with an elected township assessor in every township the township assessor shall prepare the real property list. The assessing officials and the county assessor shall prepare the list in the form prescribed by the department of local government finance. The township assessor shall ensure that the county assessor has full access to the assessment records maintained by the township assessor. **The county auditor may after complying with IC 6-1.1-17-1 adjust the list of taxable property received under this section to reflect deductions and exemptions granted after the date the list is prepared.**

SECTION 4. IC 6-1.1-5.5-5, AS AMENDED BY P.L.228-2005, SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) The department of local government finance shall prescribe a sales disclosure form for use under this chapter. The form prescribed by the department of local government finance must include at least the following information:

- (1) The key number of the parcel (as defined in IC 6-1.1-1-8.5).
- (2) Whether the entire parcel is being conveyed.
- (3) The address of the property.
- (4) The date of the execution of the form.
- (5) The date the property was transferred.
- (6) Whether the transfer includes an interest in land or improvements, or both.
- (7) Whether the transfer includes personal property.
- (8) An estimate of any personal property included in the transfer.
- (9) The name, address, and telephone number of:
  - (A) each transferor and transferee; and
  - (B) the person that prepared the form.
- (10) The mailing address to which the property tax bills or other official correspondence should be sent.
- (11) The ownership interest transferred.
- (12) The classification of the property (as residential, commercial, industrial, agricultural, vacant land, or other).
- (13) The total price actually paid or required to be paid in exchange for the conveyance, whether in terms of money, property, a service, an agreement, or other consideration, but

C  
o  
p  
y



excluding tax payments and payments for legal and other services that are incidental to the conveyance.

(14) The terms of seller provided financing, such as interest rate, points, type of loan, amount of loan, and amortization period, and whether the borrower is personally liable for repayment of the loan.

(15) Any family or business relationship existing between the transferor and the transferee.

(16) Other information as required by the department of local government finance to carry out this chapter.

If a form under this section includes the telephone number or the Social Security number of a party, the telephone number or the Social Security number is confidential.

**(b) The instructions for completing the form described in subsection (a) must include the information described in IC 6-1.1-12-43(c)(1).**

SECTION 5. IC 6-1.1-5.5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) The county auditor may not accept a conveyance document if:

(1) the sales disclosure form signed by all the parties and attested as required under section 9 of this chapter is not included with the document; or

(2) the sales disclosure form does not contain the information described in ~~section 5~~ **section 5(a)** of this chapter.

(b) The county recorder shall not record a conveyance document without evidence that the parties have filed a completed sales disclosure form with the county auditor.

SECTION 6. IC 6-1.1-8-28 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 28. (a) Each year the department of local government finance shall notify each public utility company of:

(1) the department's tentative assessment of the company's distributable property; and

(2) the value of the company's distributable property used by the department to determine the tentative assessment.

**(b) The department of local government finance shall give the notice ~~on or before~~ required by subsection (a) not later than:**

**(1) September 1 in the case of railroad car companies; and ~~shall give the notice on or before~~**

**(2) June 1 in the case of all other public utility companies.**

~~(b) Within~~ **(c) Not later than** ten (10) days after a public utility company receives ~~the notice of the department of local government~~

C  
o  
p  
y



1 finance's tentative assessment, required by subsection (a), the  
2 company may:

3 (1) file with the department its objections to the tentative  
4 assessment; and

5 (2) ~~demand request~~ that the department hold a ~~hearing~~  
6 **preliminary conference** on the tentative assessment.

7 (d) If the public utility company does not file with the department  
8 of local government finance its objections to the tentative assessment  
9 under subsection (c)(1) within the time allowed:

10 (1) the tentative assessment is **considered** final; and

11 (2) ~~the company may not be appealed~~: **appeal the assessment**  
12 **under section 30 of this chapter.**

13 SECTION 7. IC 6-1.1-8-29 IS AMENDED TO READ AS  
14 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 29. (a) If a public  
15 utility company files its objections to ~~and demands a hearing on~~; a  
16 tentative assessment within the time allowed **under section 28(c) of**  
17 **this chapter**, the department of local government finance ~~shall~~ **may**  
18 hold a ~~hearing~~ **preliminary conference** on the tentative assessment at  
19 a time and place fixed by the department. After the ~~hearing~~;  
20 **preliminary conference**, if any, the department of local government  
21 finance shall:

22 (1) make a final assessment of the company's distributable  
23 property; and ~~shall~~

24 (2) notify the company of the final assessment. ~~However~~;

25 (b) The department of local government finance must give notice of  
26 the final assessment ~~before~~: **under this section not later than**:

27 (1) September 30 in the case of railroad car companies; and  
28 ~~before~~

29 (2) June 30 in the case of all other public utility companies.

30 SECTION 8. IC 6-1.1-8-30 IS AMENDED TO READ AS  
31 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 30. ~~If~~ (a) A public  
32 utility company files its objections to the department of local  
33 government finance's tentative assessment of the company's  
34 distributable property in the manner prescribed in section 28 of this  
35 chapter; the company may initiate an appeal of the department's final  
36 assessment of ~~that the company's distributable~~ property by filing a  
37 petition with the Indiana board not ~~more~~ later than forty-five (45) days  
38 after:

39 (1) **the public utility company receives notice of the tentative**  
40 **assessment under section 28(a) of this chapter if the final**  
41 **assessment becomes final under section 28(d) of this chapter;**  
42 **or**

C  
o  
p  
y



(2) the department of local government finance gives the public utility company notice of the final determination ~~The under section 29(a) of this chapter.~~

(b) A public utility company may petition for judicial review of the Indiana board's final determination to the tax court under IC 4-21.5-5. However, the company must:

- (1) file a verified petition for judicial review; and
  - (2) mail to the county auditor of each county in which the public utility company's distributable property is located:
    - (A) a notice that the complaint was filed; and
    - (B) instructions for obtaining a copy of the complaint;
- ~~within not later than~~ forty-five (45) days after the date of the notice of the Indiana board's final determination.

SECTION 9. IC 6-1.1-9-10 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: **Sec. 10. (a) If in the course of a review of a taxpayer's personal property assessment under this chapter an assessing official or the assessing official's representative discovers an error indicating that the taxpayer has overreported a personal property assessment, the assessing official shall:**

- (1) adjust the personal property assessment to correct the error; and
- (2) process a refund or credit for any resulting overpayment.

(b) Application of subsection (a) is subject to the restrictions of IC 6-1.1-11-1.

SECTION 10. IC 6-1.1-10.1-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: **Sec. 11. (a)** A high impact business that desires to obtain the property tax credit provided by section 10 of this chapter must file a certified credit application, on forms prescribed by the department of local government finance, with the auditor of the county in which the inventory is located. The credit application must be filed ~~on or~~ before ~~May 15~~ **August 1** each year. If the high impact business obtains a filing extension under IC 6-1.1-3-7(b) for any year, the application for the year must be filed by the extended due date for that year.

(b) The property tax credit application required by this section must contain the following information:

- (1) The name of the high impact business owning the inventory.
- (2) A description of the inventory for which a property tax credit is claimed in sufficient detail to afford identification.
- (3) The assessed value of the inventory subject to the property tax

C  
o  
p  
y



credit.

(4) Any other information considered necessary by the department of local government finance.

(c) On verification of the correctness of a property tax credit application by the assessors of the townships in which the inventory is located, the county auditor shall grant the property tax credit.

(d) The property tax credit and the period of the credit provided for inventory under section 10 of this chapter are not affected by a change in the ownership of the high impact business if the new owner of the high impact business owning the inventory:

(1) continues the business operation of the high impact business within the commission's jurisdiction and maintains employment levels within the commission's jurisdiction consistent with the certification and pledge required under section 9(a) of this chapter; and

(2) files an application in the manner provided by subsections (a) and (b).

SECTION 11. IC 6-1.1-11-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]:

Sec. 3. (a) Subject to subsections (e) ~~and~~ (f), **and (g)**, an owner of tangible property who wishes to obtain an exemption from property taxation shall file a certified application in duplicate with the county assessor of the county in which the property that is the subject of the exemption is located. The application must be filed annually ~~on or~~ before ~~May 15~~ **August 1** on forms prescribed by the department of local government finance. Except as provided in sections 1, 3.5, and 4 of this chapter, the application applies only for the taxes imposed for the year for which the application is filed.

(b) The authority for signing an exemption application may not be delegated by the owner of the property to any other person except by an executed power of attorney.

(c) An exemption application which is required under this chapter shall contain the following information:

(1) A description of the property claimed to be exempt in sufficient detail to afford identification.

(2) A statement showing the ownership, possession, and use of the property.

(3) The grounds for claiming the exemption.

(4) The full name and address of the applicant.

(5) For the year that ends on the assessment date of the property, identification of:

(A) each part of the property used or occupied; and

C  
o  
p  
y



(B) each part of the property not used or occupied;  
for one (1) or more exempt purposes under IC 6-1.1-10 during the  
time the property is used or occupied.

(6) Any additional information which the department of local  
government finance may require.

(d) A person who signs an exemption application shall attest in  
writing and under penalties of perjury that, to the best of the person's  
knowledge and belief, a predominant part of the property claimed to be  
exempt is not being used or occupied in connection with a trade or  
business that is not substantially related to the exercise or performance  
of the organization's exempt purpose.

(e) An owner must file with an application for exemption of real  
property under subsection (a) or section 5 of this chapter a copy of the  
township assessor's record kept under IC 6-1.1-4-25(a) that shows the  
calculation of the assessed value of the real property for the assessment  
date for which the exemption is claimed. Upon receipt of the  
exemption application, the county assessor shall examine that record  
and determine if the real property for which the exemption is claimed  
is properly assessed. If the county assessor determines that the real  
property is not properly assessed, the county assessor shall direct the  
township assessor of the township in which the real property is located  
to:

- (1) properly assess the real property; and
- (2) notify the county assessor and county auditor of the proper  
assessment.

(f) If the county assessor determines that the applicant has not filed  
with an application for exemption a copy of the record referred to in  
subsection (e), the county assessor shall notify the applicant in writing  
of that requirement. The applicant then has thirty (30) days after the  
date of the notice to comply with that requirement. The county property  
tax assessment board of appeals shall deny an application described in  
this subsection if the applicant does not comply with that requirement  
within the time permitted under this subsection.

**(g) This subsection applies whenever a law requires an  
exemption to be claimed on or in an application accompanying a  
personal property tax return. The claim or application may be filed  
on or with a personal property tax return not more than thirty (30)  
days after the filing date for the personal property tax return,  
regardless of whether an extension of the filing date has been  
granted under IC 6-1.1-3-7.**

SECTION 12. IC 6-1.1-11-3.5 IS AMENDED TO READ AS  
FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]:

C  
o  
p  
y



1 Sec. 3.5. (a) A not-for-profit corporation that seeks an exemption  
 2 provided by IC 6-1.1-10 for 2000 or for a year that follows 2000 by a  
 3 multiple of two (2) years must file an application for the exemption in  
 4 that year. However, if a not-for-profit corporation seeks an exemption  
 5 provided by IC 6-1.1-10 for a year not specified in this subsection and  
 6 the corporation did not receive the exemption for the preceding year,  
 7 the corporation must file an application for the exemption in the year  
 8 for which the exemption is sought. The not-for-profit corporation must  
 9 file each exemption application in the manner (other than the  
 10 requirement for filing annually) prescribed in section 3 of this chapter.

11 (b) A not-for-profit corporation that receives an exemption provided  
 12 under IC 6-1.1-10 for a particular year that remains eligible for the  
 13 exemption for the following year is only required to file a statement to  
 14 apply for the exemption in the years specified in subsection (a), if the  
 15 use of the not-for-profit corporation's property remains unchanged.

16 (c) A not-for-profit corporation that receives an exemption provided  
 17 under IC 6-1.1-10 for a particular year which becomes ineligible for the  
 18 exemption for the following year shall notify the assessor of the county  
 19 in which the tangible property for which it claims the exemption is  
 20 located of its ineligibility ~~on or before May 15~~ **August 1** of the year for  
 21 which it becomes ineligible. If a not-for-profit corporation that is  
 22 receiving an exemption provided under IC 6-1.1-10 changes the use of  
 23 its tangible property so that part or all of that property no longer  
 24 qualifies for the exemption, the not-for-profit corporation shall notify  
 25 the assessor of the county in which the tangible property for which it  
 26 claims the exemption is located of its ineligibility ~~on or before May 15~~  
 27 **August 1** of the year for which it first becomes ineligible. The county  
 28 assessor shall immediately notify the county auditor of the  
 29 not-for-profit corporation's ineligibility or disqualification for the  
 30 exemption. A not-for-profit corporation that fails to provide the  
 31 notification required by this subsection is subject to the penalties set  
 32 forth in IC 6-1.1-37-9.

33 (d) For each year that is not a year specified in subsection (a), the  
 34 auditor of each county shall apply an exemption provided under  
 35 IC 6-1.1-10 to the tangible property owned by a not-for-profit  
 36 corporation that received the exemption in the preceding year unless  
 37 the county property tax assessment board of appeals determines that the  
 38 not-for-profit corporation is no longer eligible for the exemption.

39 (e) The department of local government finance may at any time  
 40 review an exemption provided under this section and determine  
 41 whether or not the not-for-profit corporation is eligible for the  
 42 exemption.

**C  
o  
p  
y**



SECTION 13. IC 6-1.1-12-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) Except as provided in section 17.8 of this chapter, a person who desires to claim the deduction provided by section 1 of this chapter must file a statement in duplicate, on forms prescribed by the department of local government finance, with the auditor of the county in which the real property, mobile home not assessed as real property, or manufactured home not assessed as real property is located. With respect to real property, the statement must be filed during the ~~twelve (12)~~ **fifteen (15)** months before ~~May 1~~ **August 1** of each year for which the person wishes to obtain the deduction. With respect to a mobile home that is not assessed as real property or a manufactured home that is not assessed as real property, the statement must be filed during the twelve (12) months before March 2 of each year for which the individual wishes to obtain the deduction. The statement may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. In addition to the statement required by this subsection, a contract buyer who desires to claim the deduction must submit a copy of the recorded contract or recorded memorandum of the contract, which must contain a legal description sufficient to meet the requirements of IC 6-1.1-5, with the first statement that the buyer files under this section with respect to a particular parcel of real property. Upon receipt of the statement and the recorded contract or recorded memorandum of the contract, the county auditor shall assign a separate description and identification number to the parcel of real property being sold under the contract.

(b) The statement referred to in subsection (a) must be verified under penalties for perjury, and the statement must contain the following information:

- (1) The balance of the person's mortgage or contract indebtedness on the assessment date of the year for which the deduction is claimed.
- (2) The assessed value of the real property, mobile home, or manufactured home.
- (3) The full name and complete residence address of the person and of the mortgagee or contract seller.
- (4) The name and residence of any assignee or bona fide owner or holder of the mortgage or contract, if known, and if not known, the person shall state that fact.
- (5) The record number and page where the mortgage, contract, or memorandum of the contract is recorded.
- (6) A brief description of the real property, mobile home, or

C  
o  
p  
y



1 manufactured home which is encumbered by the mortgage or sold  
2 under the contract.

3 (7) If the person is not the sole legal or equitable owner of the real  
4 property, mobile home, or manufactured home, the exact share of  
5 the person's interest in it.

6 (8) The name of any other county in which the person has applied  
7 for a deduction under this section and the amount of deduction  
8 claimed in that application.

9 (c) The authority for signing a deduction application filed under this  
10 section may not be delegated by the real property, mobile home, or  
11 manufactured home owner or contract buyer to any person except upon  
12 an executed power of attorney. The power of attorney may be contained  
13 in the recorded mortgage, contract, or memorandum of the contract, or  
14 in a separate instrument.

15 SECTION 14. IC 6-1.1-12-4 IS AMENDED TO READ AS  
16 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) An individual  
17 who satisfies the requirements of section 3 of this chapter may file a  
18 claim for a deduction, or deductions, provided by section 1 of this  
19 chapter during the ~~twelve (12)~~ **fifteen (15)** months before ~~May 1~~  
20 **August 1** of the year following the year in which ~~he~~ **the individual** is  
21 discharged from military service. The individual shall file the claim, on  
22 the forms prescribed for claiming a deduction under section 2 of this  
23 chapter, with the auditor of the county in which the real property is  
24 located. The claim shall specify the particular year, or years, for which  
25 the deduction is claimed. The individual shall attach to the claim an  
26 affidavit which states the facts concerning the individual's absence as  
27 a member of the United States armed forces.

28 (b) The county property tax assessment board of appeals shall  
29 examine the individual's claim and shall determine the amount of  
30 deduction, or deductions, ~~he~~ **the individual** is entitled to and the year,  
31 or years, for which deductions are due. Based on the board's  
32 determination, the county auditor shall calculate the excess taxes paid  
33 by the individual and shall refund the excess to the individual from  
34 funds not otherwise appropriated. The county auditor shall issue, and  
35 the county treasurer shall pay, a warrant for the amount, if any, to  
36 which the individual is entitled.

37 SECTION 15. IC 6-1.1-12-10.1 IS AMENDED TO READ AS  
38 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10.1. (a) Except as  
39 provided in section 17.8 of this chapter, an individual who desires to  
40 claim the deduction provided by section 9 of this chapter must file a  
41 sworn statement, on forms prescribed by the department of local  
42 government finance, with the auditor of the county in which the real

C  
o  
p  
y



property, mobile home, or manufactured home is located. With respect to real property, the statement must be filed during the ~~twelve (12)~~ **fifteen (15)** months before ~~May 1~~ **August 1** of each year for which the individual wishes to obtain the deduction. With respect to a mobile home that is not assessed as real property or a manufactured home that is not assessed as real property, the statement must be filed between January 15 and March 31, inclusive of each year for which the individual wishes to obtain the deduction. The statement may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing.

(b) The statement referred to in subsection (a) shall be in affidavit form or require verification under penalties of perjury. The statement must be filed in duplicate if the applicant owns, or is buying under a contract, real property, a mobile home, or a manufactured home subject to assessment in more than one (1) county or in more than one (1) taxing district in the same county. The statement shall contain:

- (1) the source and exact amount of gross income received by the individual and ~~his~~ **the individual's** spouse during the preceding calendar year;
- (2) the description and assessed value of the real property, mobile home, or manufactured home;
- (3) the individual's full name and ~~his~~ complete residence address;
- (4) the record number and page where the contract or memorandum of the contract is recorded if the individual is buying the real property, mobile home, or manufactured home on contract; and
- (5) any additional information which the department of local government finance may require.

(c) In order to substantiate ~~his~~ **the** deduction statement, the applicant shall submit for inspection by the county auditor a copy of ~~his~~ **the applicant's** and a copy of ~~his~~ **the applicant's** spouse's income tax returns for the preceding calendar year. If either was not required to file an income tax return, the applicant shall subscribe to that fact in the deduction statement.

SECTION 16. IC 6-1.1-12-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) Except as provided in section 17.8 of this chapter, a person who desires to claim the deduction provided in section 11 of this chapter must file an application, on forms prescribed by the department of local government finance, with the auditor of the county in which the real property, mobile home not assessed as real property, or manufactured home not assessed as real property is located. With respect to real property, the

C  
o  
p  
y



1 application must be filed during the ~~twelve (12)~~ **fifteen (15)** months  
 2 before ~~May 1~~ **August 1** of each year for which the individual wishes  
 3 to obtain the deduction. With respect to a mobile home that is not  
 4 assessed as real property or a manufactured home that is not assessed  
 5 as real property, the application must be filed during the twelve (12)  
 6 months before March 2 of each year for which the individual wishes to  
 7 obtain the deduction. The application may be filed in person or by mail.  
 8 If mailed, the mailing must be postmarked on or before the last day for  
 9 filing.

10 (b) Proof of blindness may be supported by:

11 (1) the records of a county office of family and children, the  
 12 division of family and children, or the division of disability,  
 13 aging, and rehabilitative services; or

14 (2) the written statement of a physician who is licensed by this  
 15 state and skilled in the diseases of the eye or of a licensed  
 16 optometrist.

17 (c) The application required by this section must contain the record  
 18 number and page where the contract or memorandum of the contract  
 19 is recorded if the individual is buying the real property, mobile home,  
 20 or manufactured home on a contract that provides that ~~he~~ **the**  
 21 **individual** is to pay property taxes on the real property, mobile home,  
 22 or manufactured home.

23 SECTION 17. IC 6-1.1-12-15 IS AMENDED TO READ AS  
 24 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15. (a) Except as  
 25 provided in section 17.8 of this chapter, an individual who desires to  
 26 claim the deduction provided by section 13 or section 14 of this chapter  
 27 must file a statement with the auditor of the county in which the  
 28 individual resides. With respect to real property, the statement must be  
 29 filed during the ~~twelve (12)~~ **fifteen (15)** months before ~~May 1~~ **August**  
 30 **1** of each year for which the individual wishes to obtain the deduction.  
 31 With respect to a mobile home that is not assessed as real property or  
 32 a manufactured home that is not assessed as real property, the  
 33 statement must be filed during the twelve (12) months before March 2  
 34 of each year for which the individual wishes to obtain the deduction.  
 35 The statement may be filed in person or by mail. If mailed, the mailing  
 36 must be postmarked on or before the last day for filing. The statement  
 37 shall contain a sworn declaration that the individual is entitled to the  
 38 deduction.

39 (b) In addition to the statement, the individual shall submit to the  
 40 county auditor for the auditor's inspection:

41 (1) a pension certificate, an award of compensation, or a disability  
 42 compensation check issued by the United States Department of

C  
o  
p  
y



Veterans Affairs if the individual claims the deduction provided by section 13 of this chapter;

(2) a pension certificate or an award of compensation issued by the United States Department of Veterans Affairs if the individual claims the deduction provided by section 14 of this chapter; or

(3) the appropriate certificate of eligibility issued to the individual by the Indiana department of veterans' affairs if the individual claims the deduction provided by section 13 or 14 of this chapter.

(c) If the individual claiming the deduction is under guardianship, the guardian shall file the statement required by this section.

(d) If the individual claiming a deduction under section 13 or 14 of this chapter is buying real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property under a contract that provides that the individual is to pay property taxes for the real estate, mobile home, or manufactured home, the statement required by this section must contain the record number and page where the contract or memorandum of the contract is recorded.

SECTION 18. IC 6-1.1-12-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 17. Except as provided in section 17.8 of this chapter, a surviving spouse who desires to claim the deduction provided by section 16 of this chapter must file a statement with the auditor of the county in which the surviving spouse resides. With respect to real property, the statement must be filed during the ~~twelve (12)~~ **fifteen (15)** months before ~~May 1~~ **August 1** of each year for which the surviving spouse wishes to obtain the deduction. With respect to a mobile home that is not assessed as real property or a manufactured home that is not assessed as real property, the statement must be filed during the twelve (12) months before March 2 of each year for which the individual wishes to obtain the deduction. The statement may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. The statement shall contain:

(1) a sworn statement that the surviving spouse is entitled to the deduction; and

(2) the record number and page where the contract or memorandum of the contract is recorded, if the individual is buying the real property on a contract that provides that the individual is to pay property taxes on the real property.

In addition to the statement, the surviving spouse shall submit to the county auditor for the auditor's inspection a letter or certificate from the United States Department of Veterans Affairs establishing the service of the deceased spouse in the military or naval forces of the United

C  
o  
p  
y



States before November 12, 1918.

SECTION 19. IC 6-1.1-12-17.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 17.5. (a) Except as provided in section 17.8 of this chapter, a veteran who desires to claim the deduction provided in section 17.4 of this chapter must file a sworn statement, on forms prescribed by the department of local government finance, with the auditor of the county in which the real property, mobile home, or manufactured home is assessed. With respect to real property, the veteran must file the statement during the ~~twelve (12)~~ **fifteen (15)** months before ~~May 1~~ **August 1** of each year for which the veteran wishes to obtain the deduction. With respect to a mobile home that is not assessed as real property or a manufactured home that is not assessed as real property, the statement must be filed during the twelve (12) months before March 2 of each year for which the individual wishes to obtain the deduction. The statement may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing.

(b) The statement required under this section shall be in affidavit form or require verification under penalties of perjury. The statement shall be filed in duplicate if the veteran has, or is buying under a contract, real property in more than one (1) county or in more than one (1) taxing district in the same county. The statement shall contain:

- (1) a description and the assessed value of the real property, mobile home, or manufactured home;
- (2) the veteran's full name and complete residence address;
- (3) the record number and page where the contract or memorandum of the contract is recorded, if the individual is buying the real property, mobile home, or manufactured home on a contract that provides that the individual is to pay property taxes on the real property, mobile home, or manufactured home; and
- (4) any additional information which the department of local government finance may require.

SECTION 20. IC 6-1.1-12-17.8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 17.8. (a) An individual who receives a deduction provided under section 1, 9, 11, 13, 14, 16, or 17.4 of this chapter in a particular year and who remains eligible for the deduction in the following year is not required to file a statement to apply for the deduction in the following year.

(b) An individual who receives a deduction provided under section 1, 9, 11, 13, 14, 16, or 17.4 of this chapter in a particular year and who becomes ineligible for the deduction in the following year shall notify the auditor of the county in which the real property, mobile home, or

**C  
o  
p  
y**



1 manufactured home for which ~~he~~ **the individual** claims the deduction  
 2 is located of ~~his~~ **the individual's** ineligibility before ~~May 10~~ **August 1**  
 3 of the year in which ~~he~~ **the individual** becomes ineligible.

4 (c) The auditor of each county shall, in a particular year, apply a  
 5 deduction provided under section 1, 9, 11, 13, 14, 16, or 17.4 of this  
 6 chapter to each individual who received the deduction in the preceding  
 7 year unless the auditor determines that the individual is no longer  
 8 eligible for the deduction.

9 (d) An individual who receives a deduction provided under section  
 10 1, 9, 11, 13, 14, 16, or 17.4 of this chapter for property that is jointly  
 11 held with another owner in a particular year and remains eligible for  
 12 the deduction in the following year is not required to file a statement to  
 13 reapply for the deduction following the removal of the joint owner if:

- 14 (1) the individual is the sole owner of the property following the
- 15 death of the individual's spouse;
- 16 (2) the individual is the sole owner of the property following the
- 17 death of a joint owner who was not the individual's spouse; or
- 18 (3) the individual is awarded sole ownership of the property in a
- 19 divorce decree.

20 SECTION 21. IC 6-1.1-12-20 IS AMENDED TO READ AS  
 21 FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]:  
 22 Sec. 20. (a) A property owner who desires to obtain the deduction  
 23 provided by section 18 of this chapter must file a certified deduction  
 24 application, on forms prescribed by the department of local government  
 25 finance, with the auditor of the county in which the rehabilitated  
 26 property is located. The application may be filed in person or by mail.  
 27 If mailed, the mailing must be postmarked on or before the last day for  
 28 filing. Except as provided in subsection (b), the application must be  
 29 filed before ~~May 10~~ **August 1** of the year in which the addition to  
 30 assessed value is made.

31 (b) If notice of the addition to assessed value for any year is not  
 32 given to the property owner before ~~April 10~~ **July 16** of that year, the  
 33 application required by this section may be filed not later than thirty  
 34 (30) days after the date such a notice is mailed to the property owner  
 35 at the address shown on the records of the township assessor.

36 (c) The application required by this section shall contain the  
 37 following information:

- 38 (1) a description of the property for which a deduction is claimed
- 39 in sufficient detail to afford identification;
- 40 (2) statements of the ownership of the property;
- 41 (3) the assessed value of the improvements on the property before
- 42 rehabilitation;

C  
o  
p  
y



- (4) the number of dwelling units on the property;
- (5) the number of dwelling units rehabilitated;
- (6) the increase in assessed value resulting from the rehabilitation; and
- (7) the amount of deduction claimed.

(d) A deduction application filed under this section is applicable for the year in which the increase in assessed value occurs and for the immediately following four (4) years without any additional application being filed.

(e) On verification of an application by the assessor of the township in which the property is located, the county auditor shall make the deduction.

SECTION 22. IC 6-1.1-12-24 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]:

Sec. 24. (a) A property owner who desires to obtain the deduction provided by section 22 of this chapter must file a certified deduction application, on forms prescribed by the department of local government finance, with the auditor of the county in which the property is located. The application may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. Except as provided in subsection (b), the application must be filed before ~~May 10~~ **August 1** of the year in which the addition to assessed valuation is made.

(b) If notice of the addition to assessed valuation for any year is not given to the property owner before ~~April 10~~ **July 1** of that year, the application required by this section may be filed not later than thirty (30) days after the date such a notice is mailed to the property owner at the address shown on the records of the township assessor.

(c) The application required by this section shall contain the following information:

- (1) the name of the property owner;
- (2) a description of the property for which a deduction is claimed in sufficient detail to afford identification;
- (3) the assessed value of the improvements on the property before rehabilitation;
- (4) the increase in the assessed value of improvements resulting from the rehabilitation; and
- (5) the amount of deduction claimed.

(d) A deduction application filed under this section is applicable for the year in which the addition to assessed value is made and in the immediate following four (4) years without any additional application being filed.

C  
o  
p  
y



(e) On verification of the correctness of an application by the assessor of the township in which the property is located, the county auditor shall make the deduction.

SECTION 23. IC 6-1.1-12-30 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 30. Except as provided in section 36 of this chapter, a person who desires to claim the deduction provided by section 29 of this chapter must file a certified statement in duplicate, on forms prescribed by the department of local government finance, with the auditor of the county in which the real property or mobile home is subject to assessment. With respect to real property, the person must file the statement between March 1 and ~~May 10~~ **August 1**, inclusive, of each year for which the person desires to obtain the deduction. With respect to a mobile home which is not assessed as real property, the person must file the statement between January 15 and March 31, inclusive, of each year for which the person desires to obtain the deduction. On verification of the statement by the assessor of the township in which the real property or mobile home is subject to assessment, the county auditor shall allow the deduction.

SECTION 24. IC 6-1.1-12-35.5, AS AMENDED BY P.L.214-2005, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 35.5. (a) Except as provided in section 36 of this chapter, a person who desires to claim the deduction provided by section 31, 33, 34, or 34.5 of this chapter must file a certified statement in duplicate, on forms prescribed by the department of local government finance, and proof of certification under subsection (b) or (f) with the auditor of the county in which the property for which the deduction is claimed is subject to assessment. Except as provided in subsection (e), with respect to property that is not assessed under IC 6-1.1-7, the person must file the statement between March 1 and ~~May 10~~ **August 1**, inclusive, of the assessment year. The person must file the statement in each year for which the person desires to obtain the deduction. With respect to a property which is assessed under IC 6-1.1-7, the person must file the statement between January 15 and March 31, inclusive, of each year for which the person desires to obtain the deduction. The statement may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. On verification of the statement by the assessor of the township in which the property for which the deduction is claimed is subject to assessment, the county auditor shall allow the deduction.

(b) This subsection does not apply to an application for a deduction under section 34.5 of this chapter. The department of environmental

**C  
o  
p  
y**



management, upon application by a property owner, shall determine whether a system or device qualifies for a deduction provided by section 31, 33, or 34 of this chapter. If the department determines that a system or device qualifies for a deduction, it shall certify the system or device and provide proof of the certification to the property owner. The department shall prescribe the form and manner of the certification process required by this subsection.

(c) This subsection does not apply to an application for a deduction under section 34.5 of this chapter. If the department of environmental management receives an application for certification before ~~April 10~~ **July 1** of the assessment year, the department shall determine whether the system or device qualifies for a deduction before ~~May 10~~ **August 1** of the assessment year. If the department fails to make a determination under this subsection before ~~May 10~~ **August 1** of the assessment year, the system or device is considered certified.

(d) A denial of a deduction claimed under section 31, 33, 34, or 34.5 of this chapter may be appealed as provided in IC 6-1.1-15. The appeal is limited to a review of a determination made by the township assessor, county property tax assessment board of appeals, or department of local government finance.

(e) A person who timely files a personal property return under IC 6-1.1-3-7(a) for an assessment year and who desires to claim the deduction provided in section 31 of this chapter for property that is not assessed under IC 6-1.1-7 must file the statement described in subsection (a) between March 1 and ~~May 15~~ **August 1**, inclusive, of that year. A person who obtains a filing extension under IC 6-1.1-3-7(b) for an assessment year must file the application between March 1 and the extended due date for that year.

(f) This subsection applies only to an application for a deduction under section 34.5 of this chapter. The center for coal technology research established by IC 4-4-30-5, upon receiving an application from the owner of a building, shall determine whether the building qualifies for a deduction under section 34.5 of this chapter. If the center determines that a building qualifies for a deduction, the center shall certify the building and provide proof of the certification to the owner of the building. The center shall prescribe the form and procedure for certification of buildings under this subsection. If the center receives an application for certification of a building under section 34.5 of this chapter before ~~April 10~~ **July 1** of an assessment year:

- (1) the center shall determine whether the building qualifies for a deduction before ~~May 10~~ **August 1** of the assessment year; and
- (2) if the center fails to make a determination before ~~May 10~~

C  
o  
p  
y



**August 1** of the assessment year, the building is considered certified.

SECTION 25. IC 6-1.1-12-38 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]:

Sec. 38. (a) A person is entitled to a deduction from the assessed value of the person's property in an amount equal to the difference between:

(1) the assessed value of the person's property, including the assessed value of the improvements made to comply with the fertilizer storage rules adopted by the state chemist under IC 15-3-3-12 and the pesticide storage rules adopted by the state chemist under IC 15-3-3.5-11; minus

(2) the assessed value of the person's property, excluding the assessed value of the improvements made to comply with the fertilizer storage rules adopted by the state chemist under IC 15-3-3-12 and the pesticide storage rules adopted by the state chemist under IC 15-3-3.5-11.

(b) To obtain the deduction under this section, a person must file a certified statement in duplicate, on forms prescribed by the department of local government finance, with the auditor of the county in which the property is subject to assessment. In addition to the certified statement, the person must file a certification by the state chemist listing the improvements that were made to comply with the fertilizer storage rules adopted under IC 15-3-3-12 and the pesticide storage rules adopted by the state chemist under IC 15-3-3.5-11. The statement and certification must be filed before ~~May 10~~ **August 1** of the year preceding the year the deduction will first be applied. Upon the verification of the statement and certification by the assessor of the township in which the property is subject to assessment, the county auditor shall allow the deduction.

SECTION 26. IC 6-1.1-12.1-4.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]:

Sec. 4.5. (a) For purposes of this section, "personal property" means personal property other than inventory (as defined in IC 6-1.1-3-11(a)).

(b) An applicant must provide a statement of benefits to the designating body. The applicant must provide the completed statement of benefits form to the designating body before the hearing specified in section 2.5(c) of this chapter or before the installation of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment for which the person desires to claim a deduction under this chapter. The department of local government finance shall prescribe a form for the statement of benefits. The statement of benefits must

C  
o  
p  
y



include the following information:

(1) A description of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment that the person proposes to acquire.

(2) With respect to:

(A) new manufacturing equipment not used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products; and

(B) new research and development equipment, new logistical distribution equipment, or new information technology equipment;

an estimate of the number of individuals who will be employed or whose employment will be retained by the person as a result of the installation of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment and an estimate of the annual salaries of these individuals.

(3) An estimate of the cost of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment.

(4) With respect to new manufacturing equipment used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products, an estimate of the amount of solid waste or hazardous waste that will be converted into energy or other useful products by the new manufacturing equipment.

The statement of benefits may be incorporated in a designation application. Notwithstanding any other law, a statement of benefits is a public record that may be inspected and copied under IC 5-14-3-3.

(c) The designating body must review the statement of benefits required under subsection (b). The designating body shall determine whether an area should be designated an economic revitalization area or whether the deduction shall be allowed, based on (and after it has made) the following findings:

(1) Whether the estimate of the cost of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment is reasonable for equipment of that type.

(2) With respect to:

(A) new manufacturing equipment not used to dispose of solid

**C  
O  
P  
Y**



- 1 waste or hazardous waste by converting the solid waste or  
 2 hazardous waste into energy or other useful products; and  
 3 (B) new research and development equipment, new logistical  
 4 distribution equipment, or new information technology  
 5 equipment;  
 6 whether the estimate of the number of individuals who will be  
 7 employed or whose employment will be retained can be  
 8 reasonably expected to result from the installation of the new  
 9 manufacturing equipment, new research and development  
 10 equipment, new logistical distribution equipment, or new  
 11 information technology equipment.  
 12 (3) Whether the estimate of the annual salaries of those  
 13 individuals who will be employed or whose employment will be  
 14 retained can be reasonably expected to result from the proposed  
 15 installation of new manufacturing equipment, new research and  
 16 development equipment, new logistical distribution equipment, or  
 17 new information technology equipment.  
 18 (4) With respect to new manufacturing equipment used to dispose  
 19 of solid waste or hazardous waste by converting the solid waste  
 20 or hazardous waste into energy or other useful products, whether  
 21 the estimate of the amount of solid waste or hazardous waste that  
 22 will be converted into energy or other useful products can be  
 23 reasonably expected to result from the installation of the new  
 24 manufacturing equipment.  
 25 (5) Whether any other benefits about which information was  
 26 requested are benefits that can be reasonably expected to result  
 27 from the proposed installation of new manufacturing equipment,  
 28 new research and development equipment, new logistical  
 29 distribution equipment, or new information technology  
 30 equipment.  
 31 (6) Whether the totality of benefits is sufficient to justify the  
 32 deduction.  
 33 The designating body may not designate an area an economic  
 34 revitalization area or approve the deduction unless it makes the  
 35 findings required by this subsection in the affirmative.  
 36 (d) Except as provided in subsection (h), **and subject to subsection**  
 37 **(i)**, an owner of new manufacturing equipment, new research and  
 38 development equipment, new logistical distribution equipment, or new  
 39 information technology equipment whose statement of benefits is  
 40 approved after June 30, 2000, is entitled to a deduction from the  
 41 assessed value of that equipment for the number of years determined  
 42 by the designating body under subsection (g). Except as provided in

C  
o  
p  
y



subsection (f) and in section 2(i)(3) of this chapter, **and subject to subsection (i)**, the amount of the deduction that an owner is entitled to for a particular year equals the product of:

(1) the assessed value of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment in the year of deduction under the appropriate table set forth in subsection (e); multiplied by

(2) the percentage prescribed in the appropriate table set forth in subsection (e).

(e) The percentage to be used in calculating the deduction under subsection (d) is as follows:

(1) For deductions allowed over a one (1) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd and thereafter	0%

(2) For deductions allowed over a two (2) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	50%
3rd and thereafter	0%

(3) For deductions allowed over a three (3) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	66%
3rd	33%
4th and thereafter	0%

(4) For deductions allowed over a four (4) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	75%
3rd	50%
4th	25%
5th and thereafter	0%

(5) For deductions allowed over a five (5) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	80%
3rd	60%
4th	40%
5th	20%
6th and thereafter	0%

C  
o  
p  
y



1	(6) For deductions allowed over a six (6) year period:	
2	YEAR OF DEDUCTION	PERCENTAGE
3	1st	100%
4	2nd	85%
5	3rd	66%
6	4th	50%
7	5th	34%
8	6th	25%
9	7th and thereafter	0%
10	(7) For deductions allowed over a seven (7) year period:	
11	YEAR OF DEDUCTION	PERCENTAGE
12	1st	100%
13	2nd	85%
14	3rd	71%
15	4th	57%
16	5th	43%
17	6th	29%
18	7th	14%
19	8th and thereafter	0%
20	(8) For deductions allowed over an eight (8) year period:	
21	YEAR OF DEDUCTION	PERCENTAGE
22	1st	100%
23	2nd	88%
24	3rd	75%
25	4th	63%
26	5th	50%
27	6th	38%
28	7th	25%
29	8th	13%
30	9th and thereafter	0%
31	(9) For deductions allowed over a nine (9) year period:	
32	YEAR OF DEDUCTION	PERCENTAGE
33	1st	100%
34	2nd	88%
35	3rd	77%
36	4th	66%
37	5th	55%
38	6th	44%
39	7th	33%
40	8th	22%
41	9th	11%
42	10th and thereafter	0%

**C**  
**O**  
**P**  
**Y**



(10) For deductions allowed over a ten (10) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	90%
3rd	80%
4th	70%
5th	60%
6th	50%
7th	40%
8th	30%
9th	20%
10th	10%
11th and thereafter	0%

(f) With respect to new manufacturing equipment and new research and development equipment installed before March 2, 2001, the deduction under this section is the amount that causes the net assessed value of the property after the application of the deduction under this section to equal the net assessed value after the application of the deduction under this section that results from computing:

(1) the deduction under this section as in effect on March 1, 2001; and

(2) the assessed value of the property under 50 IAC 4.2, as in effect on March 1, 2001, or, in the case of property subject to IC 6-1.1-8, 50 IAC 5.1, as in effect on March 1, 2001.

(g) For an economic revitalization area designated before July 1, 2000, the designating body shall determine whether a property owner whose statement of benefits is approved after April 30, 1991, is entitled to a deduction for five (5) or ten (10) years. For an economic revitalization area designated after June 30, 2000, the designating body shall determine the number of years the deduction is allowed. However, the deduction may not be allowed for more than ten (10) years. This determination shall be made:

(1) as part of the resolution adopted under section 2.5 of this chapter; or

(2) by resolution adopted within sixty (60) days after receiving a copy of a property owner's certified deduction application from the county auditor. A certified copy of the resolution shall be sent to the county auditor.

A determination about the number of years the deduction is allowed that is made under subdivision (1) is final and may not be changed by following the procedure under subdivision (2).

(h) The owner of new manufacturing equipment that is directly used

**c  
o  
p  
y**



to dispose of hazardous waste is not entitled to the deduction provided by this section for a particular assessment year if during that assessment year the owner:

(1) is convicted of a violation under IC 13-7-13-3 (repealed), IC 13-7-13-4 (repealed), or IC 13-30-6; or

(2) is subject to an order or a consent decree with respect to property located in Indiana based on a violation of a federal or state rule, regulation, or statute governing the treatment, storage, or disposal of hazardous wastes that had a major or moderate potential for harm.

**(i) For purposes of subsection (d), the assessed value of new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment that is part of an owner's assessable depreciable personal property in a single taxing district subject to the valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9 is the product of:**

**(1) the assessed value of the equipment determined without regard to the valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9; multiplied by**

**(2) the quotient of:**

**(A) the amount of the valuation limitation determined under 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9 for all of the owner's depreciable personal property in the taxing district; divided by**

**(B) the total true tax value of all of the owner's depreciable personal property in the taxing district that is subject to the valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9 determined:**

**(i) under the depreciation schedules in the rules of the department of local government finance before any adjustment for abnormal obsolescence; and**

**(ii) without regard to the valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9.**

SECTION 27. IC 6-1.1-12.1-5, AS AMENDED BY P.L.193-2005, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 5. (a) A property owner who desires to obtain the deduction provided by section 3 of this chapter must file a certified deduction application, on forms prescribed by the department of local government finance, with the auditor of the county in which the property is located. Except as otherwise provided in subsection (b) or (e), the deduction application must be filed before

C  
o  
p  
y



1 ~~May 10~~ **August 1** of the year in which the addition to assessed  
2 valuation is made.

3 (b) If notice of the addition to assessed valuation or new assessment  
4 for any year is not given to the property owner before ~~April 10~~ **July 1**  
5 of that year, the deduction application required by this section may be  
6 filed not later than thirty (30) days after the date such a notice is mailed  
7 to the property owner at the address shown on the records of the  
8 township assessor.

9 (c) The deduction application required by this section must contain  
10 the following information:

11 (1) The name of the property owner.

12 (2) A description of the property for which a deduction is claimed  
13 in sufficient detail to afford identification.

14 (3) The assessed value of the improvements before rehabilitation.

15 (4) The increase in the assessed value of improvements resulting  
16 from the rehabilitation.

17 (5) The assessed value of the new structure in the case of  
18 redevelopment.

19 (6) The amount of the deduction claimed for the first year of the  
20 deduction.

21 (7) If the deduction application is for a deduction in a  
22 residentially distressed area, the assessed value of the  
23 improvement or new structure for which the deduction is claimed.

24 (d) A deduction application filed under subsection (a) or (b) is  
25 applicable for the year in which the addition to assessed value or  
26 assessment of a new structure is made and in the following years the  
27 deduction is allowed without any additional deduction application  
28 being filed. However, property owners who had an area designated an  
29 urban development area pursuant to a deduction application filed prior  
30 to January 1, 1979, are only entitled to a deduction for a five (5) year  
31 period. In addition, property owners who are entitled to a deduction  
32 under this chapter pursuant to a deduction application filed after  
33 December 31, 1978, and before January 1, 1986, are entitled to a  
34 deduction for a ten (10) year period.

35 (e) A property owner who desires to obtain the deduction provided  
36 by section 3 of this chapter but who has failed to file a deduction  
37 application within the dates prescribed in subsection (a) or (b) may file  
38 a deduction application between March 1 and ~~May 10~~ **August 1** of a  
39 subsequent year which shall be applicable for the year filed and the  
40 subsequent years without any additional deduction application being  
41 filed for the amounts of the deduction which would be applicable to  
42 such years pursuant to section 4 of this chapter if such a deduction

C  
o  
p  
y



application had been filed in accordance with subsection (a) or (b).

(f) Subject to subsection (i), the county auditor shall act as follows:

(1) If a determination about the number of years the deduction is allowed has been made in the resolution adopted under section 2.5 of this chapter, the county auditor shall make the appropriate deduction.

(2) If a determination about the number of years the deduction is allowed has not been made in the resolution adopted under section 2.5 of this chapter, the county auditor shall send a copy of the deduction application to the designating body. Upon receipt of the resolution stating the number of years the deduction will be allowed, the county auditor shall make the appropriate deduction.

(3) If the deduction application is for rehabilitation or redevelopment in a residentially distressed area, the county auditor shall make the appropriate deduction.

(g) The amount and period of the deduction provided for property by section 3 of this chapter are not affected by a change in the ownership of the property if the new owner of the property:

(1) continues to use the property in compliance with any standards established under section 2(g) of this chapter; and

(2) files an application in the manner provided by subsection (e).

(h) The township assessor shall include a notice of the deadlines for filing a deduction application under subsections (a) and (b) with each notice to a property owner of an addition to assessed value or of a new assessment.

(i) Before the county auditor acts under subsection (f), the county auditor may request that the township assessor of the township in which the property is located review the deduction application.

(j) A property owner may appeal a determination of the county auditor under subsection (f) to deny or alter the amount of the deduction by requesting in writing a preliminary conference with the county auditor not more than forty-five (45) days after the county auditor gives the person notice of the determination. An appeal initiated under this subsection is processed and determined in the same manner that an appeal is processed and determined under IC 6-1.1-15.

SECTION 28. IC 6-1.1-12.1-5.1, AS AMENDED BY P.L.193-2005, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 5.1. (a) This subsection applies to:

(1) all deductions under section 3 of this chapter for property located in a residentially distressed area; and

(2) any other deductions for which a statement of benefits was

**c  
o  
p  
y**



1 approved under section 3 of this chapter before July 1, 1991.  
 2 In addition to the requirements of section 5(c) of this chapter, a  
 3 deduction application filed under section 5 of this chapter must contain  
 4 information showing the extent to which there has been compliance  
 5 with the statement of benefits approved under section 3 of this chapter.  
 6 Failure to comply with a statement of benefits approved before July 1,  
 7 1991, may not be a basis for rejecting a deduction application.

8 (b) This subsection applies to each deduction (other than a  
 9 deduction for property located in a residentially distressed area) for  
 10 which a statement of benefits was approved under section 3 of this  
 11 chapter after June 30, 1991. In addition to the requirements of section  
 12 5(c) of this chapter, a property owner who files a deduction application  
 13 under section 5 of this chapter must provide the county auditor and the  
 14 designating body with information showing the extent to which there  
 15 has been compliance with the statement of benefits approved under  
 16 section 3 of this chapter. This information must be included in the  
 17 deduction application and must also be updated each year in which the  
 18 deduction is applicable at the same time that the property owner is  
 19 required to file a personal property tax return in the taxing district in  
 20 which the property for which the deduction was granted is located. If  
 21 the taxpayer does not file a personal property tax return in the taxing  
 22 district in which the property is located, the information must be  
 23 provided before ~~May 15~~ **August 1**.

24 (c) Notwithstanding IC 5-14-3 and IC 6-1.1-35-9, the following  
 25 information is a public record if filed under this section:

- 26 (1) The name and address of the taxpayer.
- 27 (2) The location and description of the property for which the
- 28 deduction was granted.
- 29 (3) Any information concerning the number of employees at the
- 30 property for which the deduction was granted, including estimated
- 31 totals that were provided as part of the statement of benefits.
- 32 (4) Any information concerning the total of the salaries paid to
- 33 those employees, including estimated totals that were provided as
- 34 part of the statement of benefits.
- 35 (5) Any information concerning the assessed value of the
- 36 property, including estimates that were provided as part of the
- 37 statement of benefits.

38 (d) The following information is confidential if filed under this  
 39 section:

- 40 (1) Any information concerning the specific salaries paid to
- 41 individual employees by the property owner.
- 42 (2) Any information concerning the cost of the property.

**C**  
**O**  
**P**  
**Y**



SECTION 29. IC 6-1.1-12.1-9.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: **Sec. 9.5. (a) As used in this section, "clerical error" includes mathematical errors and omitted signatures.**

**(b) Except as provided in section 9 of this chapter, the designating body may by resolution waive noncompliance with the following requirements in this chapter with respect to a particular deduction under this chapter:**

**(1) a filing deadline applicable to an application, a statement of benefits, or another document that is required to be filed under this chapter; or**

**(2) a clerical error in an application, a statement of benefits, or another document that is required to be filed under this chapter;**

**if the taxpayer otherwise qualifies for the deduction and the document is filed or the clerical error is corrected before the resolution is adopted. The resolution must specifically identify the property, deductions, and taxpayer that are effected by the resolution, specifically identify the noncompliance that is the subject of the resolution, and include a finding that the noncompliance has been corrected before the adoption of the resolution.**

**(c) The designating body shall certify a copy of a resolution adopted under this section to the taxpayer and the department of local government finance.**

**(d) If a noncompliance with this chapter has been corrected and a resolution is adopted under this section, the taxpayer shall be treated as if the taxpayer had complied with the procedural requirements of this chapter. However, if the designating body determines that granting the relief permitted by this section would result in a delay in the issuance of tax bills, require the recalculation of tax rates or tax levies for a particular year, or otherwise cause an undue burden on a taxing unit, the designating body may require that the deduction that the taxpayer would be entitled to receive for a particular year be applied to a subsequent year in the manner prescribed by the department of local government finance.**

SECTION 30. IC 6-1.1-12.4-3, AS ADDED BY P.L.193-2005, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: **Sec. 3. (a) For purposes of this section, an increase in the assessed value of personal property is**

**C  
o  
p  
y**



determined in the same manner that an increase in the assessed value of new manufacturing equipment is determined for purposes of IC 6-1.1-12.1.

(b) This subsection applies only to personal property that the owner purchases after March 1, 2005, and before March 2, 2009. Except as provided in sections 4, 5, and 8 of this chapter, an owner that purchases personal property other than inventory (as defined in 50 IAC 4.2-5-1, as in effect on January 1, 2005) that:

(1) was never before used by its owner for any purpose in Indiana; and

(2) creates or retains employment;

is entitled to a deduction from the assessed value of the personal property.

(c) The deduction under this section is first available in the year in which the increase in assessed value resulting from the purchase of the personal property occurs and continues for the following two (2) years. The amount of the deduction that a property owner may receive with respect to personal property located in a county for a particular year equals the lesser of:

(1) two million dollars (\$2,000,000); or

(2) the product of:

(A) the increase in assessed value resulting from the purchase of the personal property; multiplied by

(B) the percentage from the following table:

YEAR OF DEDUCTION	PERCENTAGE
1st	75%
2nd	50%
3rd	25%

(d) If an appeal of an assessment is approved that results in a reduction of the assessed value of the personal property, the amount of the deduction is adjusted to reflect the percentage decrease that results from the appeal.

(e) A property owner must claim the deduction under this section on the owner's annual personal property tax return. The township assessor shall:

(1) identify the personal property eligible for the deduction to the county auditor; and

(2) inform the county auditor of the deduction amount.

(f) The county auditor shall:

(1) make the deductions; and

(2) notify the county property tax assessment board of appeals of all deductions approved;

C  
o  
p  
y



under this section.

**(g) The deduction under this section does not apply to personal property at a facility listed in IC 6-1.1-12.1-3(e).**

SECTION 31. IC 6-1.1-12.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]:

**Chapter 12.5. Assessment Phase-in Deduction**

**Sec. 1. For purposes of this chapter:**

- (1) "enlarge" means to add floor area;
- (2) "rehabilitate" means to remodel, repair, or improve in any manner; and
- (3) "residential property" means real property improvements assessed as residential property under the rules of the department of local government finance.

**Sec. 2. (a) Subject to subsection (d) and section 3 of this chapter, a taxpayer that:**

- (1) rehabilitates; or
- (2) enlarges;

**residential property for which the taxpayer is liable for property taxes is entitled to a deduction from the assessed value of the residential property.**

**(b) A deduction under this section is available in:**

- (1) the year in which the rehabilitation or enlargement of the residential property results in an increased assessed value of the residential property; and
- (2) the immediately succeeding two (2) years.

**(c) The amount of the deduction that a taxpayer may receive for:**

**(1) the year referred to in subsection (b)(1) equals the product of:**

**(A) the increased assessed value for that year resulting from the rehabilitation or enlargement of the residential property; multiplied by**

**(B) seventy-five percent (75%);**

**(2) the first year referred to in subsection (b)(2) equals the product of:**

**(A) the increased assessed value of the residential property determined under subdivision (1)(A) as adjusted under:**

**(i) IC 6-1.1-4-4; or**

**(ii) IC 6-1.1-4-4.5; multiplied by**

**(B) fifty percent (50%); and**

**(3) the second year referred to in subsection (b)(2) equals the**

**C  
o  
p  
y**



product of:

(A) the increased assessed value of the residential property determined under subdivision (1)(A) as adjusted under:

(i) IC 6-1.1-4-4;

(ii) IC 6-1.1-4-4.5; or

(iii) both IC 6-1.1-4-4 and IC 6-1.1-4-4.5; multiplied by

(B) twenty-five percent (25%).

(d) A property owner that qualifies for a deduction for a year under:

(1) this section; and

(2) another statute;

based on the same rehabilitation or enlargement of a residential property may not receive a deduction for that rehabilitation or enlargement of the property under both statutes for that year.

(e) A taxpayer that desires to claim a deduction under this section must file a statement, on forms prescribed by the department of local government finance, with the auditor of the county in which the residential property is located. The statement must be filed during the twelve (12) months before May 11 of each year for which the taxpayer wishes to obtain the deduction. A statement under this subsection may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing.

**Sec. 3. If ownership of the residential property changes:**

(1) the deduction provided under this chapter continues to apply to the residential property; and

(2) the amount of the deduction is:

(A) the percentage under section 2(c)(1)(B), 2(c)(2)(B), or 2(c)(3)(B) of this chapter that would have applied if the ownership of the residential property had not changed; multiplied by

(B) the assessed value of the residential property, as determined and adjusted under section 2 of this chapter, for the year the new owner is entitled to the deduction.

**Sec. 4. The department of local government finance shall adopt rules under IC 4-22-2 to implement this chapter.**

SECTION 32. IC 6-1.1-14-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) After holding the hearings referred to in section 4 of this chapter, the department of local government finance shall, in order to equalize assessed values in any county or in the state as a whole, issue an order increasing or decreasing assessed values of any tangible property if the department

C  
o  
p  
y



1 finds:

2 (1) that the assessed values in any county are not uniform and  
3 equal as to townships, portions of the same township, or classes  
4 of property; or

5 (2) that the assessed values in this state are not uniform and equal  
6 either as between counties or as to classes of property.

7 (b) The department of local government finance may not issue an  
8 equalization order to increase or decrease assessed values under this  
9 section more than twelve (12) months after the county estimates of  
10 assessed valuation required under ~~IC 6-1.1-17-1~~ **IC 6-1.1-17-1(a)** are  
11 filed with the department.

12 (c) If the department of local government finance issues an  
13 equalization order under this section, the department shall state in the  
14 order the percentage to be added to or deducted from the assessed  
15 value of the tangible property affected by the order.

16 (d) In issuing an equalization order under this section, the  
17 department of local government finance may not reduce or increase the  
18 aggregate assessed values of any township beyond the amounts actually  
19 necessary for a just and proper equalization of assessments within the  
20 entire state.

21 SECTION 33. IC 6-1.1-15-4, AS AMENDED BY P.L.199-2005,  
22 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
23 UPON PASSAGE]: Sec. 4. (a) After receiving a petition for review  
24 which is filed under section 3 of this chapter, the Indiana board shall  
25 conduct a hearing at its earliest opportunity. The Indiana board may:

26 (1) assign:

27 (A) full;

28 (B) limited; or

29 (C) no;

30 evidentiary value to the assessed valuation of tangible property  
31 determined by stipulation submitted as evidence of a comparable  
32 sale; and

33 (2) correct any errors that may have been made, and adjust the  
34 assessment in accordance with the correction.

35 (b) If the Indiana board conducts a site inspection of the property as  
36 part of its review of the petition, the Indiana board shall give notice to  
37 all parties of the date and time of the site inspection. The Indiana board  
38 is not required to assess the property in question. The Indiana board  
39 shall give notice of the date fixed for the hearing, by mail, to the  
40 taxpayer and to the appropriate township assessor, county assessor, and  
41 county auditor. With respect to an appeal of the assessment of real  
42 property or personal property filed after June 30, 2005, the notice must

**C  
o  
p  
y**



1 include the following:

2 (1) The action of the county property tax assessment board of  
3 appeals with respect to the appealed items.

4 (2) A statement that a taxing unit receiving the notice from the  
5 county auditor under subsection (c) may:

6 (A) attend the hearing; and

7 (B) offer testimony.

8 ~~A taxing unit that receives a notice from the county auditor under~~  
9 ~~subsection (c) is not a party to the appeal.~~ The Indiana board shall give  
10 these notices at least thirty (30) days before the day fixed for the  
11 hearing. The property tax assessment board of appeals that made the  
12 determination under appeal under this section may, with the approval  
13 of the county executive, file an amicus curiae brief in the review  
14 proceeding under this section. The expenses incurred by the property  
15 tax assessment board of appeals in filing the amicus curiae brief shall  
16 be paid from the property reassessment fund under IC 6-1.1-4-27.5.  
17 The executive of a taxing unit may file an amicus curiae brief in the  
18 review proceeding under this section if the property whose assessment  
19 is under appeal is subject to assessment by that taxing unit.

20 (c) If, after receiving notice of a hearing under subsection (b), the  
21 county auditor determines that the assessed value of the appealed items  
22 constitutes at least one percent (1%) of the total gross certified assessed  
23 value of a particular taxing unit for the assessment date immediately  
24 preceding the assessment date for which the appeal was filed, the  
25 county auditor shall send a copy of the notice to the affected taxing  
26 unit. ~~A taxing unit that receives a notice from the county auditor~~  
27 ~~under this subsection is not a party to the appeal.~~ Failure of the  
28 county auditor to send a copy of the notice to the affected taxing unit  
29 does not affect the validity of the appeal or delay the appeal.

30 (d) If a petition for review does not comply with the Indiana board's  
31 instructions for completing the form prescribed under section 3 of this  
32 chapter, the Indiana board shall return the petition to the petitioner and  
33 include a notice describing the defect in the petition. The petitioner  
34 then has thirty (30) days from the date on the notice to cure the defect  
35 and file a corrected petition. The Indiana board shall deny a corrected  
36 petition for review if it does not substantially comply with the Indiana  
37 board's instructions for completing the form prescribed under section  
38 3 of this chapter.

39 (e) The Indiana board shall prescribe a form for use in processing  
40 petitions for review of actions by the county property tax assessment  
41 board of appeals. The Indiana board shall issue instructions for  
42 completion of the form. The form must require the Indiana board to

C  
o  
p  
y



1 indicate agreement or disagreement with each item that is:

2 (1) if the county or township official held a preliminary  
3 conference under section 1(f) of this chapter, indicated on the  
4 petition submitted under that section by the taxpayer and the  
5 official; and

6 (2) included in the county property tax assessment board of  
7 appeals' findings, record, and determination under section 2.1(d)  
8 of this chapter.

9 The form must also require the Indiana board to indicate the issues in  
10 dispute and its reasons in support of its resolution of those issues.

11 (f) After the hearing the Indiana board shall give the petitioner, the  
12 township assessor, the county assessor, **and** the county auditor: ~~and the~~  
13 ~~affected taxing units required to be notified under subsection (c):~~

14 (1) notice, by mail, of its final determination;

15 (2) a copy of the form completed under subsection (e); and

16 (3) notice of the procedures they must follow in order to obtain  
17 court review under section 5 of this chapter.

18 **The county auditor shall provide copies of the documents described**  
19 **in subdivisions (1) through (3) to the taxing units entitled to notice**  
20 **under subsection (c).**

21 (g) Except as provided in subsection (h), the Indiana board shall  
22 conduct a hearing not later than nine (9) months after a petition in  
23 proper form is filed with the Indiana board, excluding any time due to  
24 a delay reasonably caused by the petitioner.

25 (h) With respect to an appeal of a real property assessment that  
26 takes effect on the assessment date on which a general reassessment of  
27 real property takes effect under IC 6-1.1-4-4, the Indiana board shall  
28 conduct a hearing not later than one (1) year after a petition in proper  
29 form is filed with the Indiana board, excluding any time due to a delay  
30 reasonably caused by the petitioner.

31 (i) Except as provided in subsection (j), the Indiana board shall  
32 make a determination not later than the later of:

33 (1) ninety (90) days after the hearing; or

34 (2) the date set in an extension order issued by the Indiana board.

35 (j) With respect to an appeal of a real property assessment that takes  
36 effect on the assessment date on which a general reassessment of real  
37 property takes effect under IC 6-1.1-4-4, the Indiana board shall make  
38 a determination not later than the later of:

39 (1) one hundred eighty (180) days after the hearing; or

40 (2) the date set in an extension order issued by the Indiana board.

41 (k) ~~Except as provided in subsection (p);~~ The Indiana board may not  
42 extend the final determination date under subsection (i) or (j) by more

C  
o  
p  
y



than one hundred eighty (180) days. If the Indiana board fails to make a final determination within the time allowed by this ~~subsection~~, **section after a hearing**, the entity that initiated the petition may:

(1) take no action and wait for the Indiana board to make a final determination; or

(2) petition for judicial review under section 5(g) of this chapter.

(l) A final determination must include separately stated findings of fact for all aspects of the determination. Findings of ultimate fact must be accompanied by a concise statement of the underlying basic facts of record to support the findings. Findings must be based exclusively upon the evidence on the record in the proceeding and on matters officially noticed in the proceeding. Findings must be based upon a preponderance of the evidence.

(m) The Indiana board may limit the scope of the appeal to the issues raised in the petition and the evaluation of the evidence presented to the county property tax assessment board of appeals in support of those issues only if all persons participating in the hearing required under subsection (a) agree to the limitation. A person participating in the hearing required under subsection (a) is entitled to introduce evidence that is otherwise proper and admissible without regard to whether that evidence has previously been introduced at a hearing before the county property tax assessment board of appeals.

(n) The Indiana board:

(1) may require the parties to the appeal to file not more than five (5) business days before the date of the hearing required under subsection (a) documentary evidence or summaries of statements of testimonial evidence; and

(2) may require the parties to the appeal to file not more than fifteen (15) business days before the date of the hearing required under subsection (a) lists of witnesses and exhibits to be introduced at the hearing.

(o) A party to a proceeding before the Indiana board shall provide to another party to the proceeding the information described in subsection (n) if the other party requests the information in writing at least ten (10) days before the deadline for filing of the information under subsection (n).

(p) The county assessor may:

(1) appear as an additional party if the notice of appearance is filed before the review proceeding; or

(2) with the approval of the township assessor, represent the township assessor;

in a review proceeding under this section.

C  
o  
p  
y



(q) The Indiana board may base its final determination on a stipulation between the respondent and the petitioner. If the final determination is based on a stipulated assessed valuation of tangible property, the Indiana board may order the placement of a notation on the permanent assessment record of the tangible property that the assessed valuation was determined by stipulation. The Indiana board may:

(1) order that a final determination under this subsection has no precedential value; or

(2) specify a limited precedential value of a final determination under this subsection.

SECTION 34. IC 6-1.1-15-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15. A class action suit against the Indiana board **or the department of local government finance** may not be maintained in any court, including the Indiana tax court, on behalf of a person who has not complied with the requirements of this chapter or IC 6-1.1-26 before the certification of the class.

SECTION 35. IC 6-1.1-17-0.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 0.5. (a) For purposes of this section, "assessed value" has the meaning set forth in IC 6-1.1-1-3(a).

(b) The county auditor may exclude and keep separate on the tax duplicate for taxes payable in a calendar year the assessed value of tangible property that meets the following conditions:

(1) The assessed value of the property is at least nine percent (9%) of the assessed value of all tangible property subject to taxation by a taxing unit. ~~(as defined in IC 6-1.1-1-21).~~

(2) The property is or has been part of a bankruptcy estate that is subject to protection under the federal bankruptcy code.

(3) The owner of the property has discontinued all business operations on the property.

(4) There is a high probability that the taxpayer will not pay property taxes due on the property in the following year.

(c) This section does not limit, restrict, or reduce in any way the property tax liability on the property.

(d) **For each taxing unit located in the county, the county auditor may reduce for a calendar year the taxing unit's assessed value that is certified to the department of local government finance under section 1 of this chapter and used to set tax rates for the taxing unit for taxes first due and payable in the immediately succeeding calendar year. The county auditor may reduce a taxing**

C  
o  
p  
y



unit's assessed value under this subsection only to enable the taxing unit to absorb the effects of reduced property tax collections in the immediately succeeding calendar year that are expected to result from successful appeals of the assessed value of property located in the taxing unit. The county auditor shall keep separately on the tax duplicate the amount of any reductions made under this subsection. The maximum amount of the reduction authorized under this subsection is determined under subsection (e).

(e) The amount of the reduction in a taxing unit's assessed value for a calendar year under subsection (d) may not exceed the lesser of:

(1) two percent (2%) of the assessed value of tangible property subject to assessment in the taxing unit in that calendar year; or

(2) the total amount of reductions in the assessed value of tangible property subject to assessment in the taxing unit that:

(A) applied for the assessment date in the immediately preceding year; and

(B) resulted from successful appeals of the assessed value of the property.

(f) The amount of a reduction under subsection (d) may not be offered in a proceeding before the:

(1) county property tax assessment board of appeals;

(2) Indiana board; or

(3) Indiana tax court;

as evidence that a particular parcel has been improperly assessed.

SECTION 36. IC 6-1.1-17-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) On or before August 1 of each year, the county auditor shall send a certified statement, under the seal of the board of county commissioners, to the fiscal officer of each political subdivision of the county and the department of local government finance. The statement shall contain:

(1) information concerning the assessed valuation in the political subdivision for the next calendar year;

(2) an estimate of the taxes to be distributed to the political subdivision during the last six (6) months of the current calendar year;

(3) the current assessed valuation as shown on the abstract of charges;

(4) the average growth in assessed valuation in the political subdivision over the preceding three (3) budget years, excluding

C  
o  
p  
y



years in which a general reassessment occurs, determined according to procedures established by the department of local government finance; ~~and~~

**(5) the amount of the political subdivision's assessed valuation reduction determined under section 0.5(d) of this chapter; and**  
~~(5) (6) any other information at the disposal of the county auditor~~ that might affect the assessed value used in the budget adoption process.

(b) The estimate of taxes to be distributed shall be based on:

(1) the abstract of taxes levied and collectible for the current calendar year, less any taxes previously distributed for the calendar year; and

(2) any other information at the disposal of the county auditor which might affect the estimate.

(c) The fiscal officer of each political subdivision shall present the county auditor's statement to the proper officers of the political subdivision.

**(d) Subject to subsection (e) and except as provided in subsection (f), after the county auditor sends a certified statement under subsection (a) or an amended certified statement under this subsection with respect to a political subdivision and before the department of local government finance certifies its action with respect to the political subdivision under section 16(f) of this chapter, the county auditor may amend the information concerning assessed valuation included in the earlier certified statement. The county auditor shall send a certified statement amended under this subsection, under the seal of the board of county commissioners, to:**

**(1) the fiscal officer of each political subdivision affected by the amendment; and**

**(2) the department of local government finance.**

**(e) Except as provided in subsection (g), before the county auditor makes an amendment under subsection (d), the county auditor must provide an opportunity for public comment on the proposed amendment at a public hearing. The county auditor must give notice of the hearing under IC 5-3-1. If the county auditor makes the amendment as a result of information provided to the county auditor by an assessor, the county auditor shall give notice of the public hearing to the assessor.**

**(f) Subsection (d) does not apply to an adjustment of assessed valuation under IC 36-7-15.1-26.9(d).**

**(g) The county auditor is not required to hold a public hearing**

C  
o  
p  
y



under subsection (e) if:

- (1) the amendment under subsection (d) is proposed to correct a mathematical error made in the determination of the amount of assessed valuation included in the earlier certified statement;
- (2) the amendment under subsection (d) is proposed to add to the amount of assessed valuation included in the earlier certified statement assessed valuation of omitted property discovered after the county auditor sent the earlier certified statement; or
- (3) the county auditor determines that the amendment under subsection (d) will not result in an increase in the tax rate or tax rates of the political subdivision.

SECTION 37. IC 6-1.1-17-8.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 8.5. (a)** If a county auditor reduces a taxing unit's assessed valuation under section 0.5(d) of this chapter, the department of local government finance shall, in the manner prescribed in section 16 of this chapter, review the budget, tax rate, and tax levy of the taxing unit.

(b) The county auditor may appeal to the department of local government finance to reduce a taxing unit's assessed valuation by an amount that exceeds the limits set forth in section 0.5(e) of this chapter. The department of local government finance:

- (1) may require the county auditor to submit supporting information with the county auditor's appeal;
- (2) shall consider the appeal at the time of the review required by subsection (a); and
- (3) may approve, modify and approve, or reject the amount of the reduction sought in the appeal.

SECTION 38. IC 6-1.1-17-16, AS AMENDED BY P.L.228-2005, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 16. (a)** Subject to the limitations and requirements prescribed in this section, the department of local government finance may revise, reduce, or increase a political subdivision's budget by fund, tax rate, or tax levy which the department reviews under section 8 or 10 of this chapter.

(b) Subject to the limitations and requirements prescribed in this section, the department of local government finance may review, revise, reduce, or increase the budget by fund, tax rate, or tax levy of any of the political subdivisions whose tax rates compose the aggregate tax rate within a political subdivision whose budget, tax rate, or tax

C  
o  
p  
y



levy is the subject of an appeal initiated under this chapter.

(c) Except as provided in subsections (j) and (k), before the department of local government finance reviews, revises, reduces, or increases a political subdivision's budget by fund, tax rate, or tax levy under this section, the department must hold a public hearing on the budget, tax rate, and tax levy. The department of local government finance shall hold the hearing in the county in which the political subdivision is located. The department of local government finance may consider the budgets by fund, tax rates, and tax levies of several political subdivisions at the same public hearing. At least five (5) days before the date fixed for a public hearing, the department of local government finance shall give notice of the time and place of the hearing and of the budgets by fund, levies, and tax rates to be considered at the hearing. The department of local government finance shall publish the notice in two (2) newspapers of general circulation published in the county. However, if only one (1) newspaper of general circulation is published in the county, the department of local government finance shall publish the notice in that newspaper.

(d) Except as provided in subsection (i), IC 6-1.1-19, or IC 6-1.1-18.5, the department of local government finance may not increase a political subdivision's budget by fund, tax rate, or tax levy to an amount which exceeds the amount originally fixed by the political subdivision. The department of local government finance shall give the political subdivision written notification specifying any revision, reduction, or increase the department proposes in a political subdivision's tax levy or tax rate. The political subdivision has one (1) week from the date the political subdivision receives the notice to provide a written response to the department of local government finance's Indianapolis office specifying how to make the required reductions in the amount budgeted by fund. The department of local government finance shall make reductions as specified in the political subdivision's response if the response is provided as required by this subsection and sufficiently specifies all necessary reductions. The department of local government finance may make a revision, a reduction, or an increase in a political subdivision's budget only by fund.

(e) The department of local government finance may not approve a levy for lease payments by a city, town, county, library, or school corporation if the lease payments are payable to a building corporation for use by the building corporation for debt service on bonds and if:

- (1) no bonds of the building corporation are outstanding; or
- (2) the building corporation has enough legally available funds on

**C  
O  
P  
Y**



hand to redeem all outstanding bonds payable from the particular lease rental levy requested.

(f) The department of local government finance shall certify its action to:

- (1) the county auditor;
- (2) the political subdivision if the department acts pursuant to an appeal initiated by the political subdivision;
- (3) the **taxpayer that initiated an appeal under section 13 of this chapter, or, if the appeal was initiated by multiple taxpayers, the first ten (10) taxpayers whose names appear on a petition filed under section 13 of this chapter; the statement filed to initiate the appeal;** and
- (4) a taxpayer that owns property that represents at least ten percent (10%) of the taxable assessed valuation in the political subdivision.

(g) The following may petition for judicial review of the final determination of the department of local government finance under subsection (f):

- (1) If the department acts under an appeal initiated by a political subdivision, the political subdivision.
- (2) If the department:
  - (A) acts under an appeal initiated by **one (1) or more** taxpayers under section 13 of this chapter; **or**
  - (B) **fails to act on the appeal before the department certifies its action under subsection (f);**
 a taxpayer who signed the ~~petition under that section;~~ **statement filed to initiate the appeal.**
- (3) If the department acts under an appeal initiated by the county auditor under section 14 of this chapter, the county auditor.
- (4) A taxpayer that owns property that represents at least ten percent (10%) of the taxable assessed valuation in the political subdivision.

The petition must be filed in the tax court not more than forty-five (45) days after the department certifies its action under subsection (f).

(h) The department of local government finance is expressly directed to complete the duties assigned to it under this section not later than February 15th of each year for taxes to be collected during that year.

(i) Subject to the provisions of all applicable statutes, the department of local government finance may increase a political subdivision's tax levy to an amount that exceeds the amount originally fixed by the political subdivision if the increase is:

C  
o  
p  
y



(1) requested in writing by the officers of the political subdivision;

(2) either:

(A) based on information first obtained by the political subdivision after the public hearing under section 3 of this chapter; or

(B) results from an inadvertent mathematical error made in determining the levy; and

(3) published by the political subdivision according to a notice provided by the department.

(j) The department of local government finance shall annually review the budget by fund of each school corporation not later than April 1. The department of local government finance shall give the school corporation written notification specifying any revision, reduction, or increase the department proposes in the school corporation's budget by fund. A public hearing is not required in connection with this review of the budget.

(k) The department of local government finance may hold a hearing under subsection (c) only if the notice required in IC 6-1.1-17-12 is published at least ten (10) days before the date of the hearing.

**(l) The department of local government finance may not certify a taxing unit's budget, tax rate, or tax levy if the department of local government finance determines that the county auditor has reduced the taxing unit's assessed valuation by more than the amount authorized under section 0.5(e) or 8.5(b) of this chapter.**

SECTION 39. IC 6-1.1-18.5-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. As used in this chapter:

"Ad valorem property tax levy for an ensuing calendar year" means the total property taxes imposed by a civil taxing unit for current property taxes collectible in that ensuing calendar year.

"Adopting county" means any county in which the county adjusted gross income tax is in effect.

"Civil taxing unit" means any taxing unit except a school corporation.

**"Levy excess" has the meaning set forth in section 17 of this chapter.**

"Maximum permissible ad valorem property tax levy for the preceding calendar year" means the **greater of the:**

**(1) civil taxing unit's maximum permissible ad valorem property tax levy for the calendar year immediately preceding the ensuing calendar year, as that levy was determined under**

C  
o  
p  
y



**section 3 of this chapter; or**

**(2)** civil taxing unit's ad valorem property tax levy for the calendar year immediately preceding the ensuing calendar year, as that levy was determined by the department of local government finance in fixing the civil taxing unit's budget, levy, and rate for that preceding calendar year under IC 6-1.1-17, and after eliminating the effects of temporary excessive levy appeals and temporary adjustments made to the working maximum levy for the calendar year immediately preceding the ensuing calendar year, as determined by the department of local government finance.

"Taxable property" means all tangible property that is subject to the tax imposed by this article and is not exempt from the tax under IC 6-1.1-10 or any other law. For purposes of sections 2 and 3 of this chapter, the term "taxable property" is further defined in section 6 of this chapter.

"Unadjusted assessed value" means the assessed value of a civil taxing unit as determined by local assessing officials and the department of local government finance in a particular calendar year before the application of an annual adjustment under IC 6-1.1-4-4.5 for that particular calendar year or any calendar year since the last general reassessment preceding the particular calendar year.

SECTION 40. IC 6-1.1-18.5-13, AS AMENDED BY P.L.73-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 13. With respect to an appeal filed under section 12 of this chapter, the local government tax control board may recommend that a civil taxing unit receive any one (1) or more of the following types of relief:

(1) Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if in the judgment of the local government tax control board the increase is reasonably necessary due to increased costs of the civil taxing unit resulting from annexation, consolidation, or other extensions of governmental services by the civil taxing unit to additional geographic areas or persons.

(2) Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the civil taxing unit needs the increase to meet the civil taxing unit's share of the costs of operating a court established by statute enacted after December 31, 1973. Before recommending such an increase, the local government tax control board shall consider all other revenues

**C  
o  
p  
y**



1 available to the civil taxing unit that could be applied for that  
 2 purpose. The maximum aggregate levy increases that the local  
 3 government tax control board may recommend for a particular  
 4 court equals the civil taxing unit's share of the costs of operating  
 5 a court for the first full calendar year in which it is in existence.

6 (3) Permission to the civil taxing unit to increase its levy  
 7 **percentage** in excess of the ~~limitations established~~ **levy increase**  
 8 **percentage determined** under section 3 of this chapter if the  
 9 ~~local government tax control board finds that the quotient by the~~  
 10 **percentage** determined under STEP ~~SIX~~ **TWELVE** of the  
 11 following formula: is equal to or greater than one and  
 12 ~~three-hundredths (1.03):~~

13 STEP ONE: Determine the three (3) calendar years that most  
 14 immediately precede the ensuing calendar year and in which  
 15 a statewide general reassessment of real property does not first  
 16 become effective.

17 STEP TWO: Compute separately, for each of the calendar  
 18 years determined in STEP ONE, the quotient (rounded to the  
 19 nearest ten-thousandth (0.0001)) of:

20 (A) the ~~sum of the~~ civil taxing unit's total assessed value of  
 21 all taxable property ~~and the total assessed value of property~~  
 22 ~~tax deductions in the unit under IC 6-1.1-12-41 or~~  
 23 ~~IC 6-1.1-12-42 in the particular calendar year, as adjusted~~  
 24 **to eliminate the effects of the enactment of laws or rules**  
 25 **that provide for a type or amount of an assessment, a**  
 26 **deduction or an exemption in the year that was not**  
 27 **available in the immediately preceding calendar year;**  
 28 divided by

29 (B) the sum of the civil taxing unit's total assessed value of  
 30 all taxable property and the total assessed value of property  
 31 tax deductions in the unit under IC 6-1.1-12-41 or  
 32 IC 6-1.1-12-42 in the calendar year immediately preceding  
 33 the particular calendar year, **as adjusted to eliminate the**  
 34 **effects of the enactment of laws or rules that provide for**  
 35 **a type or amount of an assessment, a deduction, or an**  
 36 **exemption in the year that is not available in the current**  
 37 **calendar year.**

38 STEP THREE: Divide the sum of the three (3) quotients  
 39 computed in STEP TWO by three (3).

40 STEP FOUR: Compute separately, for each of the calendar  
 41 years determined in STEP ONE, the quotient (rounded to the  
 42 nearest ten-thousandth (0.0001)) of:

C  
o  
p  
y



(A) the ~~sum of the~~ total assessed value of all taxable property in all counties ~~and the total assessed value of property tax deductions in all counties under IC 6-1.1-12-41 or IC 6-1.1-12-42~~ in the particular calendar year, as adjusted to eliminate the effects of the enactment of laws or rules that provide for a type or amount of an assessment, a deduction, or an exemption in the year that was not available in the immediately preceding calendar year; divided by

(B) the ~~sum of the~~ total assessed value of all taxable property in all counties ~~and the total assessed value of property tax deductions in all counties under IC 6-1.1-12-41 or IC 6-1.1-12-42~~ in the calendar year immediately preceding the particular calendar year, as adjusted to eliminate the effects of the enactment of laws or rules that provide for a type or amount of an assessment, a deduction, or an exemption in the year that is not available in the current calendar year.

STEP FIVE: Divide the sum of the three (3) quotients computed in STEP FOUR by three (3).

STEP SIX: Divide the STEP THREE amount by the STEP FIVE amount. ~~The civil taxing unit may increase its levy by a percentage not greater than the percentage by which the STEP THREE amount exceeds~~

**STEP SEVEN: Determine the result of:**

(A) the STEP SIX result; minus

(B) the percentage by which the civil taxing unit may increase its levy under section 3 of this chapter based on the assessed value growth quotient determined under section 2 of this chapter.

**STEP EIGHT: Determine the greater of zero (0) or the STEP SEVEN amount.**

**STEP NINE: Determine the total ad valorem property tax rate certified for the civil taxing unit in the year immediately preceding the particular calendar year.**

**STEP TEN: Determine the average total ad valorem property tax rate for all similar civil taxing units of the same type and class in the year immediately preceding the particular calendar year.**

**STEP ELEVEN: Determine the result of:**

(A) the STEP NINE result; divided by

(B) the STEP TEN result.

C  
o  
p  
y



**STEP TWELVE: Determine the result of:**

**(A) the STEP EIGHT result; multiplied by**

**(B) the following:**

**(i) One (1), if the STEP ELEVEN result is not greater than one (1).**

**(ii) Five tenths (0.5) if the STEP ELEVEN result is greater than one (1).**

(4) Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the civil taxing unit needs the increase to pay the costs of furnishing fire protection for the civil taxing unit through a volunteer fire department. For purposes of determining a township's need for an increased levy, the local government tax control board shall not consider the amount of money borrowed under IC 36-6-6-14 during the immediately preceding calendar year. However, any increase in the amount of the civil taxing unit's levy recommended by the local government tax control board under this subdivision for the ensuing calendar year may not exceed the lesser of:

(A) ten thousand dollars (\$10,000); or

(B) twenty percent (20%) of:

(i) the amount authorized for operating expenses of a volunteer fire department in the budget of the civil taxing unit for the immediately preceding calendar year; plus

(ii) the amount of any additional appropriations authorized during that calendar year for the civil taxing unit's use in paying operating expenses of a volunteer fire department under this chapter; minus

(iii) the amount of money borrowed under IC 36-6-6-14 during that calendar year for the civil taxing unit's use in paying operating expenses of a volunteer fire department.

(5) Permission to a civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter in order to raise revenues for pension payments and contributions the civil taxing unit is required to make under IC 36-8. The maximum increase in a civil taxing unit's levy that may be recommended under this subdivision for an ensuing calendar year equals the amount, if any, by which the pension payments and contributions the civil taxing unit is required to make under IC 36-8 during the ensuing calendar year exceeds the product of one and one-tenth (1.1) multiplied by the pension payments and contributions made by the civil taxing unit under IC 36-8 during

**C  
o  
p  
y**



the calendar year that immediately precedes the ensuing calendar year. For purposes of this subdivision, "pension payments and contributions made by a civil taxing unit" does not include that part of the payments or contributions that are funded by distributions made to a civil taxing unit by the state.

(6) Permission to increase its levy in excess of the limitations established under section 3 of this chapter if the local government tax control board finds that:

(A) the township's township assistance ad valorem property tax rate is less than one and sixty-seven hundredths cents (\$0.0167) per one hundred dollars (\$100) of assessed valuation; and

(B) the township needs the increase to meet the costs of providing township assistance under IC 12-20 and IC 12-30-4.

The maximum increase that the board may recommend for a township is the levy that would result from an increase in the township's township assistance ad valorem property tax rate of one and sixty-seven hundredths cents (\$0.0167) per one hundred dollars (\$100) of assessed valuation minus the township's ad valorem property tax rate per one hundred dollars (\$100) of assessed valuation before the increase.

(7) Permission to a civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter if:

(A) the increase has been approved by the legislative body of the municipality with the largest population where the civil taxing unit provides public transportation services; and

(B) the local government tax control board finds that the civil taxing unit needs the increase to provide adequate public transportation services.

The local government tax control board shall consider tax rates and levies in civil taxing units of comparable population, and the effect (if any) of a loss of federal or other funds to the civil taxing unit that might have been used for public transportation purposes. However, the increase that the board may recommend under this subdivision for a civil taxing unit may not exceed the revenue that would be raised by the civil taxing unit based on a property tax rate of one cent (\$0.01) per one hundred dollars (\$100) of assessed valuation.

(8) Permission to a civil taxing unit to increase the unit's levy in excess of the limitations established under section 3 of this chapter if the local government tax control board finds that:

(A) the civil taxing unit is:

C  
o  
p  
y



(i) a county having a population of more than one hundred forty-eight thousand (148,000) but less than one hundred seventy thousand (170,000);

(ii) a city having a population of more than fifty-five thousand (55,000) but less than fifty-nine thousand (59,000);

(iii) a city having a population of more than twenty-eight thousand seven hundred (28,700) but less than twenty-nine thousand (29,000);

(iv) a city having a population of more than fifteen thousand four hundred (15,400) but less than sixteen thousand six hundred (16,600); or

(v) a city having a population of more than seven thousand (7,000) but less than seven thousand three hundred (7,300); and

(B) the increase is necessary to provide funding to undertake removal (as defined in IC 13-11-2-187) and remedial action (as defined in IC 13-11-2-185) relating to hazardous substances (as defined in IC 13-11-2-98) in solid waste disposal facilities or industrial sites in the civil taxing unit that have become a menace to the public health and welfare.

The maximum increase that the local government tax control board may recommend for such a civil taxing unit is the levy that would result from a property tax rate of six and sixty-seven hundredths cents (\$0.0667) for each one hundred dollars (\$100) of assessed valuation. For purposes of computing the ad valorem property tax levy limit imposed on a civil taxing unit under section 3 of this chapter, the civil taxing unit's ad valorem property tax levy for a particular year does not include that part of the levy imposed under this subdivision. In addition, a property tax increase permitted under this subdivision may be imposed for only two (2) calendar years.

(9) Permission for a county:

(A) having a population of more than eighty thousand (80,000) but less than ninety thousand (90,000) to increase the county's levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the county needs the increase to meet the county's share of the costs of operating a jail or juvenile detention center, including expansion of the facility, if the jail or juvenile detention center is opened after December 31, 1991;

(B) that operates a county jail or juvenile detention center that is subject to an order that:

**C  
o  
p  
y**



- 1 (i) was issued by a federal district court; and  
 2 (ii) has not been terminated;  
 3 (C) that operates a county jail that fails to meet:  
 4 (i) American Correctional Association Jail Construction  
 5 Standards; and  
 6 (ii) Indiana jail operation standards adopted by the  
 7 department of correction; or  
 8 (D) that operates a juvenile detention center that fails to meet  
 9 standards equivalent to the standards described in clause (C)  
 10 for the operation of juvenile detention centers.  
 11 Before recommending an increase, the local government tax  
 12 control board shall consider all other revenues available to the  
 13 county that could be applied for that purpose. An appeal for  
 14 operating funds for a jail or a juvenile detention center shall be  
 15 considered individually, if a jail and juvenile detention center are  
 16 both opened in one (1) county. The maximum aggregate levy  
 17 increases that the local government tax control board may  
 18 recommend for a county equals the county's share of the costs of  
 19 operating the jail or a juvenile detention center for the first full  
 20 calendar year in which the jail or juvenile detention center is in  
 21 operation.  
 22 (10) Permission for a township to increase its levy in excess of the  
 23 limitations established under section 3 of this chapter, if the local  
 24 government tax control board finds that the township needs the  
 25 increase so that the property tax rate to pay the costs of furnishing  
 26 fire protection for a township, or a portion of a township, enables  
 27 the township to pay a fair and reasonable amount under a contract  
 28 with the municipality that is furnishing the fire protection.  
 29 However, for the first time an appeal is granted the resulting rate  
 30 increase may not exceed fifty percent (50%) of the difference  
 31 between the rate imposed for fire protection within the  
 32 municipality that is providing the fire protection to the township  
 33 and the township's rate. A township is required to appeal a second  
 34 time for an increase under this subdivision if the township wants  
 35 to further increase its rate. However, a township's rate may be  
 36 increased to equal but may not exceed the rate that is used by the  
 37 municipality. More than one (1) township served by the same  
 38 municipality may use this appeal.  
 39 (11) Permission for a township to increase its levy in excess of the  
 40 limitations established under section 3 of this chapter, if the local  
 41 government tax control board finds that the township has been  
 42 required, for the three (3) consecutive years preceding the year for

C  
o  
p  
y



which the appeal under this subdivision is to become effective, to borrow funds under IC 36-6-6-14 to furnish fire protection for the township or a part of the township. However, the maximum increase in a township's levy that may be allowed under this subdivision is the least of the amounts borrowed under IC 36-6-6-14 during the preceding three (3) calendar years. A township may elect to phase in an approved increase in its levy under this subdivision over a period not to exceed three (3) years. A particular township may appeal to increase its levy under this section not more frequently than every fourth calendar year.

(12) Permission to a city having a population of more than twenty-nine thousand (29,000) but less than thirty-one thousand (31,000) to increase its levy in excess of the limitations established under section 3 of this chapter if:

(A) an appeal was granted to the city under this section to reallocate property tax replacement credits under IC 6-3.5-1.1 in 1998, 1999, and 2000; and

(B) the increase has been approved by the legislative body of the city, and the legislative body of the city has by resolution determined that the increase is necessary to pay normal operating expenses.

The maximum amount of the increase is equal to the amount of property tax replacement credits under IC 6-3.5-1.1 that the city petitioned under this section to have reallocated in 2001 for a purpose other than property tax relief.

SECTION 41. IC 6-1.1-18.5-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]:  
 Sec. 17. (a) As used in this section, "levy excess" means the part of the ad valorem property tax levy actually collected by a civil taxing unit, for taxes first due and payable during a particular calendar year, that exceeds the civil taxing unit's ad valorem property tax levy, as approved by the department of local government finance under IC 6-1.1-17. **The term does not include delinquent ad valorem property taxes collected during a particular year that were assessed for an assessment date that precedes the assessment date for the current year in which the ad valorem property taxes are collected.**

(b) A civil taxing unit's levy excess is valid and may not be contested on the grounds that it exceeds the civil taxing unit's levy limit for the applicable calendar year. However, the civil taxing unit shall deposit, except as provided in subsection (h), its levy excess in a special fund to be known as the civil taxing unit's levy excess fund.

C  
o  
p  
y



(c) The chief fiscal officer of a civil taxing unit may invest money in the civil taxing unit's levy excess fund in the same manner in which money in the civil taxing unit's general fund may be invested. However, any income derived from investment of the money shall be deposited in and becomes a part of the levy excess fund.

(d) The department of local government finance shall require a civil taxing unit to include the amount in its levy excess fund in the civil taxing unit's budget fixed under IC 6-1.1-17.

(e) Except as provided by subsection (f), a civil taxing unit may not spend any money in its levy excess fund until the expenditure of the money has been included in a budget that has been approved by the department of local government finance under IC 6-1.1-17. For purposes of fixing its budget and for purposes of the ad valorem property tax levy limits imposed under this chapter, a civil taxing unit shall treat the money in its levy excess fund that the department of local government finance permits it to spend during a particular calendar year as part of its ad valorem property tax levy for that same calendar year.

(f) A civil taxing unit may transfer money from its levy excess fund to its other funds to reimburse those funds for amounts withheld from the civil taxing unit as a result of refunds paid under IC 6-1.1-26.

(g) Subject to the limitations imposed by this section, a civil taxing unit may use money in its levy excess fund for any lawful purpose for which money in any of its other funds may be used.

(h) If the amount that would, notwithstanding this subsection, be deposited in the levy excess fund of a civil taxing unit for a particular calendar year is less than one hundred dollars (\$100), no money shall be deposited in the levy excess fund of the unit for that year.

SECTION 42. IC 6-1.1-19-1.7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]:  
 Sec. 1.7. (a) As used in this section, "levy excess" means that portion of the ad valorem property tax levy actually collected by a school corporation, for taxes first due and payable during a particular calendar year, which exceeds the school corporation's total levy, as approved by the department of local government finance under IC 6-1.1-17, for those property taxes. **The term does not include delinquent ad valorem property taxes collected during a particular year that were assessed for an assessment date that precedes the assessment date for the current year in which the ad valorem property taxes are collected.**

(b) A school corporation's levy excess is valid, and the general fund portion of a school corporation's levy excess may not be contested on

C  
o  
p  
y



the grounds that it exceeds the school corporation's general fund levy limit for the applicable calendar year. However, the school corporation shall deposit, except as provided in subsection (h), its levy excess in a special fund to be known as the school corporation's levy excess fund.

(c) The chief fiscal officer of a school corporation may invest money in the school corporation's levy excess fund in the same manner in which money in the school corporation's general fund may be invested. However, any income derived from investment of the money shall be deposited in and become a part of the levy excess fund.

(d) The department of local government finance shall require a school corporation to include the amount in the school corporation's levy excess fund in the school corporation's budget fixed under IC 6-1.1-17.

(e) Except as provided in subsection (f), a school corporation may not spend any money in its levy excess fund until the expenditure of the money has been included in a budget that has been approved by the department of local government finance under IC 6-1.1-17. For purposes of fixing its budget and for purposes of the ad valorem property tax levy limits fixed under this chapter, a school corporation shall treat the money in its levy excess fund that the department of local government finance permits the school corporation to spend during a particular calendar year as part of the school corporation's ad valorem property tax levy for that same calendar year.

(f) A school corporation may transfer money from its levy excess fund to its other funds to reimburse those funds for amounts withheld from the school corporation as a result of refunds paid under IC 6-1.1-26.

(g) Subject to the limitations imposed by this section, a school corporation may use money in its levy excess fund for any lawful purpose for which money in any of its other funds may be used.

(h) If the amount that would be deposited in the levy excess fund of a school corporation for a particular calendar year is less than one hundred dollars (\$100), no money shall be deposited in the levy excess fund of the school corporation for that year.

SECTION 43. IC 6-1.1-20.8-2.5, AS AMENDED BY P.L.4-2005, SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 2.5. (a) A person that desires to claim the credit provided by section 1 of this chapter shall file a certified application, on forms prescribed by the department of local government finance, with the auditor of the county where the property for which the credit is claimed was located on the assessment date. A person that timely files a personal property return under

**C  
o  
p  
y**



IC 6-1.1-3-7(a) for an assessment year must file the application between March 1 and ~~May 15~~ **August 1** of that year in order to obtain the credit in the following year. A person that obtains a filing extension under IC 6-1.1-3-7(b) for an assessment year must file the application between March 1 and the extended due date for that year in order to obtain the credit in the following year.

(b) A taxpayer shall include on an application filed under this section all information that the department of local government finance requires to determine eligibility for the credit provided under this chapter.

(c) Compliance with this chapter does not exempt a person from compliance with IC 5-28-15-7.

SECTION 44. IC 6-1.1-20.9-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. As used in this chapter:

(1) "Dwelling" means any of the following:

(A) Residential real property improvements which an individual uses as ~~his~~ **the individual's** residence, including a house or garage.

(B) A mobile home that is not assessed as real property that an individual uses as the individual's residence.

(C) A manufactured home that is not assessed as real property that an individual uses as the individual's residence.

**(D) Partially completed residential real property improvements, as defined by the department of local government finance, that an individual intends to use as the individual's residence, including a house or garage.**

(2) "Homestead" means an individual's principal place of residence, **or in the case of a dwelling (as described in subdivision (1)(D)) property that the individual intends to be the individual's principal place of residence,** which:

(A) is located in Indiana;

(B) the individual either owns or is buying under a contract, recorded in the county recorder's office, that provides that he is to pay the property taxes on the residence; and

(C) consists of a dwelling and the real estate, not exceeding one (1) acre, that immediately surrounds that dwelling.

SECTION 45. IC 6-1.1-20.9-2, AS AMENDED BY P.L.246-2005, SECTION 63, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) Except as otherwise provided in section 5 of this chapter, an individual who on March 1 of a particular year either owns or is buying a homestead under a contract that provides the

C  
o  
p  
y



individual is to pay the property taxes on the homestead is entitled each calendar year to a credit against the property taxes which the individual pays on the individual's homestead. However, only one (1) individual may receive a credit under this chapter for a particular homestead in a particular year.

(b) **Except as provided in subsection (h)**, the amount of the credit to which the individual is entitled equals the product of:

- (1) the percentage prescribed in subsection (d); multiplied by
- (2) the amount of the individual's property tax liability, as that term is defined in IC 6-1.1-21-5, which is:

(A) attributable to the homestead during the particular calendar year; and

(B) determined after the application of the property tax replacement credit under IC 6-1.1-21.

(c) For purposes of determining that part of an individual's property tax liability that is attributable to the individual's homestead, all deductions from assessed valuation which the individual claims under IC 6-1.1-12 or IC 6-1.1-12.1 for property on which the individual's homestead is located must be applied first against the assessed value of the individual's homestead before those deductions are applied against any other property.

(d) The percentage of the credit referred to in subsection (b)(1) is as follows:

YEAR	PERCENTAGE OF THE CREDIT
1996	8%
1997	6%
1998 through 2002	10%
2003 and thereafter	20%

However, the property tax replacement fund board established under IC 6-1.1-21-10 shall increase the percentage of the credit provided in the schedule for any year if the budget agency determines that an increase is necessary to provide the minimum tax relief authorized under IC 6-1.1-21-2.5. If the board increases the percentage of the credit provided in the schedule for any year, the percentage of the credit for the immediately following year is the percentage provided in the schedule for that particular year, unless as provided in this subsection the board must increase the percentage of the credit provided in the schedule for that particular year. However, the percentage credit allowed in a particular county for a particular year shall be increased if on January 1 of a year an ordinance adopted by a county income tax council was in effect in the county which increased

C  
o  
p  
y



the homestead credit. The amount of the increase equals the amount designated in the ordinance.

(e) Before October 1 of each year, the assessor shall furnish to the county auditor the amount of the assessed valuation of each homestead for which a homestead credit has been properly filed under this chapter.

(f) The county auditor shall apply the credit equally to each installment of taxes that the individual pays for the property.

(g) Notwithstanding the provisions of this chapter, a taxpayer other than an individual is entitled to the credit provided by this chapter if:

(1) an individual uses the residence as the individual's principal place of residence;

(2) the residence is located in Indiana;

(3) the individual has a beneficial interest in the taxpayer;

(4) the taxpayer either owns the residence or is buying it under a contract, recorded in the county recorder's office, that provides that the individual is to pay the property taxes on the residence; and

(5) the residence consists of a single-family dwelling and the real estate, not exceeding one (1) acre, that immediately surrounds that dwelling.

**(h) With respect to a partially completed dwelling (as described in section 1(1)(d) of this chapter), the amount of the credit to which the individual is entitled is equal to the result of STEP THREE of the following formula:**

**STEP ONE: For the twelve (12) months preceding the assessment date on which the partially completed dwelling was reassessed, determine the number of months that followed the later of the following:**

**(A) The date on which construction of the partially completed dwelling began.**

**(B) The date on which the partially completed dwelling was transferred to the individual claiming the homestead credit.**

**STEP TWO: Determine the result of:**

**(A) the STEP ONE result; divided by**

**(B) twelve (12).**

**STEP THREE: Determine the product of:**

**(A) the amount the individual would be entitled to under subsection (b); multiplied by**

**(B) the STEP TWO amount.**

SECTION 46. IC 6-1.1-20.9-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) An individual

C  
o  
p  
y



1 who desires to claim the credit provided by section 2 of this chapter  
 2 must file a certified statement in duplicate, on forms prescribed by the  
 3 department of local government finance, with the auditor of the county  
 4 in which the homestead is located. The statement shall include the  
 5 parcel number or key number of the real estate and the name of the  
 6 city, town, or township in which the real estate is located. **Except as**  
 7 **provided in subsection (e)**, with respect to real property, the statement  
 8 must be filed during the ~~twelve (12)~~ **fifteen (15)** months before ~~May 1~~  
 9 **August 1** of the year prior to the first year for which the person wishes  
 10 to obtain the credit for the homestead. With respect to a mobile home  
 11 that is not assessed as real property or a manufactured home that is not  
 12 assessed as real property, the statement must be filed during the twelve  
 13 (12) months before March 2 of the first year for which the individual  
 14 wishes to obtain the credit. The statement may be filed in person or by  
 15 mail. If mailed, the mailing must be postmarked on or before the last  
 16 day for filing. The statement applies for that first year and any  
 17 succeeding year for which the credit is allowed.

18 (b) The certified statement referred to in subsection (a) shall contain  
 19 the name of any other county and township in which the individual  
 20 owns or is buying real property.

21 (c) If an individual who is receiving the credit provided by this  
 22 chapter changes the use of the individual's real property, so that part or  
 23 all of that real property no longer qualifies for the homestead credit  
 24 provided by this chapter, the individual must file a certified statement  
 25 with the auditor of the county, notifying the auditor of the change of  
 26 use within sixty (60) days after the date of that change. An individual  
 27 who changes the use of the individual's real property and fails to file  
 28 the statement required by this subsection is liable for the amount of the  
 29 credit ~~he~~ **the individual** was allowed under this chapter for that real  
 30 property.

31 (d) An individual who receives the credit provided by section 2 of  
 32 this chapter for property that is jointly held with another owner in a  
 33 particular year and remains eligible for the credit in the following year  
 34 is not required to file a statement to reapply for the credit following the  
 35 removal of the joint owner if:

- 36 (1) the individual is the sole owner of the property following the
- 37 death of the individual's spouse;
- 38 (2) the individual is the sole owner of the property following the
- 39 death of a joint owner who was not the individual's spouse; or
- 40 (3) the individual is awarded sole ownership of property in a
- 41 divorce decree.

42 (e) **With respect to a partially completed dwelling (as described**

C  
o  
p  
y



in section 1(1)(d) of this chapter), the certified statement referred to in subsection (a) must be filed before the later of the following:

(1) June 11 of the year before the first year for which the person wishes to obtain the credit for the homestead.

(2) A date in the year before the first year for which the person wishes to obtain the credit for the homestead that is not later than sixty (60) days after the date the assessing official notifies the taxpayer that the taxpayer's homestead has been reassessed to reflect the improvements being made to the homestead.

SECTION 47. IC 6-1.1-31-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) With respect to the assessment of real property, the rules of the department of local government finance shall provide for:

- (1) the classification of land on the basis of:
  - (i) acreage;
  - (ii) lots;
  - (iii) size;
  - (iv) location;
  - (v) use;
  - (vi) productivity or earning capacity;
  - (vii) applicable zoning provisions;
  - (viii) accessibility to highways, sewers, and other public services or facilities; and
  - (ix) any other factor that the department determines by rule is just and proper; and
- (2) the classification of improvements on the basis of:
  - (i) size;
  - (ii) location;
  - (iii) use;
  - (iv) type and character of construction;
  - (v) age;
  - (vi) condition;
  - (vii) cost of reproduction; and
  - (viii) any other factor that the department determines by rule is just and proper.

(b) With respect to the assessment of real property, the rules of the department of local government finance shall include instructions for determining:

- (1) the proper classification of real property;
- (2) the size of real property;
- (3) the effects that location and use have on the value of real

C  
o  
p  
y



property;

~~(4)~~ the depreciation, including physical deterioration and obsolescence, of real property;

~~(5)~~ the cost of reproducing improvements;

~~(6)~~ **(4)** the productivity or earning capacity of:

(A) agricultural land; and

(B) real property regularly used to rent or otherwise furnish residential accommodations for periods of thirty (30) days or more;

~~(7)~~ **(5)** sales data for generally comparable properties; and

~~(8)~~ **(6)** the true tax value of real property based on the factors listed in this subsection and any other factor that the department determines by rule is just and proper.

(c) With respect to the assessment of real property, true tax value does not mean fair market value. Subject to this article, true tax value is the value determined under the rules of the department of local government finance.

SECTION 48. IC 6-1.1-36-1.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 1.5. (a) Subject to subsections (b) and (c), and except as provided in subsection (d), a document, including a form, a return, or a writing of any type, which must be filed by a due date under this article or IC 6-1.5, is considered to be filed by the due date if the document is:**

**(1) received on or before the due date by the appropriate recipient;**

**(2) deposited in United States first class mail:**

**(A) properly addressed to the appropriate recipient;**

**(B) with sufficient postage; and**

**(C) postmarked by the United States Postal Service as mailed on or before the due date;**

**(3) deposited with a nationally recognized express parcel carrier and is:**

**(A) properly addressed to the appropriate recipient; and**

**(B) verified by the express parcel carrier as:**

**(i) paid in full for final delivery; and**

**(ii) received by the express parcel carrier on or before the due date; or**

**(4) deposited to be mailed through United States registered mail, United States certified mail, or United States certificate of mailing:**

**(A) properly addressed to the appropriate recipient;**

C  
o  
p  
y



1 (B) with sufficient postage; and

2 (C) with a date of registration, certification, or certificate,  
3 as evidenced by any record authenticated by the United  
4 States Postal Service, on or before the due date.

5 For purposes of this subsection, "postmarked" does not mean the  
6 date printed by a postage meter that affixes postage to the envelope  
7 or package containing a payment.

8 (b) If a document is mailed through the United States mail and  
9 is physically received after the due date without a legible correct  
10 postmark, the person who mailed the document is considered to  
11 have filed the document on or before the due date if the person can  
12 show by reasonable evidence that the document was deposited in  
13 the United States mail on or before the due date.

14 (c) If a document is sent via the United States mail or a  
15 nationally recognized express parcel carrier but is not received by  
16 the designated recipient, the person who sent the document is  
17 considered to have filed the document on or before the due date if  
18 the person:

19 (1) can show by reasonable evidence that the document was  
20 deposited in the United States mail, or with the express parcel  
21 carrier, on or before the due date; and

22 (2) files a duplicate document within thirty (30) days after the  
23 date the person is notified that the document was not received.

24 (d) This section does not apply to a payment addressed in  
25 IC 6-1.1-37-10(f).

26 SECTION 49. IC 6-1.1-36-12 IS AMENDED TO READ AS  
27 FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]:  
28 Sec. 12. (a) A board of county commissioners, a county assessor, or an  
29 elected township assessor may enter into a ~~properly approved~~ contract  
30 for the discovery of property that has been undervalued or omitted from  
31 assessment. The contract must prohibit payment to the contractor for  
32 discovery of undervaluation or omission with respect to a parcel or  
33 personal property return before all appeals of the assessment of the  
34 parcel or the assessment under the return have been finalized. The  
35 contract may require the contractor to:

36 (1) examine and verify the accuracy of personal property returns  
37 filed by taxpayers with a township assessor of a township in the  
38 county; and

39 (2) compare a return with the books of the taxpayer and with  
40 personal property owned, held, possessed, controlled, or occupied  
41 by the taxpayer.

42 (b) ~~The investigation and collection expenses of a contract under~~

C  
o  
p  
y



subsubsection (a) may be deducted from the gross amount of taxes collected on the undervalued or omitted property that is so discovered. The remainder of the taxes collected on the undervalued or omitted property shall be distributed to the appropriate taxing units.

**(b) This subsection applies if funds are not budgeted for payment of services performed under a contract described in subsection (a). The county auditor may create a special nonreverting fund in which the county treasurer may deposit the amount of taxes, including penalties and interest, that result from additional assessments on undervalued or omitted property collected from all taxing jurisdictions in the county after deducting the amount of any property tax credits that reduce the owner's property tax liability for the undervalued or omitted property. The fund remains in existence during the term of the contract. Distributions shall be made from the fund without appropriation only for the following purposes:**

- (1) All refunds due to taxpayers as a result of the contract.**
- (2) All contract fees and other costs related to the contract.**
- (3) After the payments required by subdivisions (1) and (2) have been made and the contract has expired, all money remaining in the fund shall be distributed by the county auditor to the appropriate taxing units in the county.**

(c) A board of county commissioners, a county assessor, or an elected township assessor may not contract for services under subsection (a) on a percentage basis.

SECTION 50. IC 6-1.1-37-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 10. (a) Except as provided in section 10.5 of this chapter, if an installment of property taxes is not completely paid on or before the due date, a penalty equal to ten percent (10%) of the amount of delinquent taxes shall be added to the unpaid portion in the year of the initial delinquency.

(b) With respect to property taxes due in two (2) equal installments under IC 6-1.1-22-9(a), on the day immediately following the due dates in May and November of each year following the year of the initial delinquency, an additional penalty equal to ten percent (10%) of any taxes remaining unpaid shall be added. With respect to property taxes due in installments under IC 6-1.1-22-9.5, an additional penalty equal to ten percent (10%) of any taxes remaining unpaid shall be added on the day immediately following each date that succeeds the last installment due date by:

- (1) six (6) months; or
- (2) a multiple of six (6) months.

C  
o  
p  
y



(c) The penalties under subsection (b) are imposed only on the principal amount of the delinquent taxes.

(d) If the department of local government finance determines that an emergency has occurred which precludes the mailing of the tax statement in any county at the time set forth in IC 6-1.1-22-8, the department shall establish by order a new date on which the installment of taxes in that county is due and no installment is delinquent if paid by the date so established.

(e) If any due date falls on a Saturday, a Sunday, a national legal holiday recognized by the federal government, or a statewide holiday, the act that must be performed by that date is timely if performed by the next succeeding day that is not a Saturday, a Sunday, or one (1) of those holidays.

(f) **Subject to subsections (g) and (h)**, a payment to the county treasurer is considered to have been paid by the due date if the payment is:

(1) received on or before the due date ~~to~~ **by** the county treasurer or a collecting agent appointed by the county treasurer;

(2) deposited in ~~the~~ United States **first class** mail:

(A) properly addressed to the principal office of the county treasurer;

(B) with sufficient postage; and

(C) ~~certified or~~ postmarked by the United States Postal Service as mailed on or before the due date; ~~or~~

(3) deposited with a nationally recognized express parcel carrier and is:

(A) properly addressed to the principal office of the county treasurer; and

(B) verified by the express parcel carrier as:

(i) paid in full for final delivery; and

(ii) received **by the express parcel carrier** on or before the due date;

**(4) deposited to be mailed through United States registered mail, United States certified mail, or United States certificate of mailing:**

(A) properly addressed to the principal office of the county treasurer;

(B) with sufficient postage; and

(C) with a date of registration, certification, or certificate, as evidenced by any record authenticated by the United States Postal Service, on or before the due date; or

**(5) made by an electronic fund transfer and the taxpayer's**

C  
o  
p  
y



**bank account is charged on or before the due date.**

For purposes of this subsection, "postmarked" does not mean the date printed by a postage meter that affixes postage to the envelope or package containing a payment.

**(g) If a payment is mailed through the United States mail and is physically received after the due date without a legible correct postmark, the person who mailed the payment is considered to have made the payment on or before the due date if the person can show by reasonable evidence that the payment was deposited in the United States mail on or before the due date.**

**(h) If a payment is sent via the United states mail or a nationally recognized express parcel carrier but is not received by the designated recipient, the person who sent the payment is considered to have made the payment on or before the due date if the person:**

**(1) can show by reasonable evidence that the payment was deposited in the United States mail, or with the express parcel carrier, on or before the due date; and**

**(2) makes a duplicate payment within thirty (30) days after the date the person is notified that the payment was not received.**

SECTION 51. IC 6-1.1-39-5, AS AMENDED BY P.L.4-2005, SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 5. (a) A declaratory ordinance adopted under section 2 of this chapter and confirmed under section 3 of this chapter must include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. The allocation provision must apply to the entire economic development district. The allocation provisions must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the economic development district be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made;

or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units. However, if the effective date of the allocation provision of a declaratory ordinance is after March 1,

C  
o  
p  
y



1 1985, and before January 1, 1986, and if an improvement to  
 2 property was partially completed on March 1, 1985, the unit may  
 3 provide in the declaratory ordinance that the taxes attributable to  
 4 the assessed value of the property as finally determined for March  
 5 1, 1984, shall be allocated to and, when collected, paid into the  
 6 funds of the respective taxing units.

7 (2) Except as otherwise provided in this section, part or all of the  
 8 property tax proceeds in excess of those described in subdivision  
 9 (1), as specified in the declaratory ordinance, shall be allocated to  
 10 the unit for the economic development district and, when  
 11 collected, paid into a special fund established by the unit for that  
 12 economic development district that may be used only to pay the  
 13 principal of and interest on obligations owed by the unit under  
 14 IC 4-4-8 (before its repeal) or IC 5-28-9 for the financing of  
 15 industrial development programs in, or serving, that economic  
 16 development district. The amount not paid into the special fund  
 17 shall be paid to the respective units in the manner prescribed by  
 18 subdivision (1).

19 (3) When the money in the fund is sufficient to pay all  
 20 outstanding principal of and interest (to the earliest date on which  
 21 the obligations can be redeemed) on obligations owed by the unit  
 22 under IC 4-4-8 (before its repeal) or IC 5-28-9 for the financing  
 23 of industrial development programs in, or serving, that economic  
 24 development district, money in the special fund in excess of that  
 25 amount shall be paid to the respective taxing units in the manner  
 26 prescribed by subdivision (1).

27 (b) Property tax proceeds allocable to the economic development  
 28 district under subsection (a)(2) must, subject to subsection (a)(3), be  
 29 irrevocably pledged by the unit for payment as set forth in subsection  
 30 (a)(2).

31 (c) For the purpose of allocating taxes levied by or for any taxing  
 32 unit or units, the assessed value of taxable property in a territory in the  
 33 economic development district that is annexed by any taxing unit after  
 34 the effective date of the allocation provision of the declaratory  
 35 ordinance is the lesser of:

36 (1) the assessed value of the property for the assessment date with  
 37 respect to which the allocation and distribution is made; or

38 (2) the base assessed value.

39 (d) Notwithstanding any other law, each assessor shall, upon  
 40 petition of the fiscal body, reassess the taxable property situated upon  
 41 or in, or added to, the economic development district effective on the  
 42 next assessment date after the petition.

**C**  
**O**  
**P**  
**Y**



(e) Notwithstanding any other law, the assessed value of all taxable property in the economic development district, for purposes of tax limitation, property tax replacement (except as provided in IC 6-1.1-21-3(c), IC 6-1.1-21-4(a)(3), and IC 6-1.1-21-5(c)), and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

- (1) the assessed value of the property as valued without regard to this section; or
- (2) the base assessed value.

(f) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the district under this section. **After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the district under this section.** However, the ~~adjustment~~ **adjustments under this subsection** may not include the effect of property tax abatements under IC 6-1.1-12.1.

(g) As used in this section, "property taxes" means:

- (1) taxes imposed under this article on real property; and
- (2) any part of the taxes imposed under this article on depreciable personal property that the unit has by ordinance allocated to the economic development district. However, the ordinance may not limit the allocation to taxes on depreciable personal property with any particular useful life or lives.

If a unit had, by ordinance adopted before May 8, 1987, allocated to an economic development district property taxes imposed under IC 6-1.1 on depreciable personal property that has a useful life in excess of eight (8) years, the ordinance continues in effect until an ordinance is adopted by the unit under subdivision (2).

(h) As used in this section, "base assessed value" means:

- (1) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (f); plus
- (2) to the extent that it is not included in subdivision (1), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as

C  
o  
p  
y



1 finally determined for any assessment date after the effective date  
2 of the allocation provision.

3 Subdivision (2) applies only to economic development districts  
4 established after June 30, 1997, and to additional areas established  
5 after June 30, 1997.

6 SECTION 52. IC 6-1.1-40-10 IS AMENDED TO READ AS  
7 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 10. (a) **Subject to**  
8 **subsection (e)**, an owner of new manufacturing equipment or  
9 inventory, or both, whose statement of benefits is approved is entitled  
10 to a deduction from the assessed value of that equipment and inventory  
11 for a period of ten (10) years. Except as provided in subsections (c) and  
12 (d), **and subject to subsection (e)**, for the first five (5) years, the  
13 amount of the deduction for new manufacturing equipment that an  
14 owner is entitled to for a particular year equals the assessed value of  
15 the new manufacturing equipment. **Subject to subsection (e)**, for the  
16 sixth through the tenth year, the amount of the deduction equals the  
17 product of:

18 (1) the assessed value of the new manufacturing equipment;  
19 multiplied by

20 (2) the percentage prescribed in the following table:

21 YEAR OF DEDUCTION	PERCENTAGE
22 6th	100%
23 7th	95%
24 8th	80%
25 9th	65%
26 10th	50%
27 11th and thereafter	0%

28 (b) For the first year the amount of the deduction for inventory  
29 equals the assessed value of the inventory. For the next nine (9) years,  
30 the amount of the deduction equals:

31 (1) the assessed value of the inventory for that year; multiplied by

32 (2) the owner's export sales ratio for the previous year, as certified  
33 by the department of state revenue under IC 6-3-2-13.

34 (c) A deduction under this section is not allowed in the first year the  
35 deduction is claimed for new manufacturing equipment to the extent  
36 that it would cause the assessed value of all of the personal property of  
37 the owner in the taxing district in which the equipment is located to be  
38 less than the assessed value of all of the personal property of the owner  
39 in that taxing district in the immediately preceding year.

40 (d) If a deduction is not fully allowed under subsection (c) in the  
41 first year the deduction is claimed, then the percentages specified in  
42 subsection (a) apply in the subsequent years to the amount of deduction

C  
o  
p  
y



that was allowed in the first year.

(e) For purposes of subsection (a), the assessed value of new manufacturing equipment that is part of an owner's assessable depreciable personal property in a single taxing district subject to the valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9 is the product of:

(1) the assessed value of the equipment determined without regard to the valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9; multiplied by

(2) the quotient of:

(A) the amount of the valuation limitation determined under 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9 for all of the owner's depreciable personal property in the taxing district; divided by

(B) the total true tax value of all of the owner's depreciable personal property in the taxing district that is subject to the valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9 determined:

(i) under the depreciation schedules in the rules of the department of local government finance before any adjustment for abnormal obsolescence; and

(ii) without regard to the valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9.

SECTION 53. IC 6-1.1-42-27 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]:

Sec. 27. (a) A property owner who desires to obtain the deduction provided by section 24 of this chapter must file a certified deduction application, on forms prescribed by the department of local government finance, with the auditor of the county in which the property is located. Except as otherwise provided in subsection (b) or (e), the deduction application must be filed before ~~May 10~~ **August 1** of the year in which the addition to assessed valuation is made.

(b) If notice of the addition to assessed valuation or new assessment for any year is not given to the property owner before ~~April 10~~ **July 1** of that year, the deduction application required by this section may be filed not later than thirty (30) days after the date such a notice is mailed to the property owner at the address shown on the records of the township assessor.

(c) The certified deduction application required by this section must contain the following information:

(1) The name of each owner of the property.

(2) A certificate of completion of a voluntary remediation under

C  
o  
p  
y



IC 13-25-5-16.

(3) Proof that each owner who is applying for the deduction:

(A) has never had an ownership interest in an entity that contributed; and

(B) has not contributed;

a contaminant (as defined in IC 13-11-2-42) that is the subject of the voluntary remediation, as determined under the written standards adopted by the department of environmental management.

(4) Proof that the deduction was approved by the appropriate designating body.

(5) A description of the property for which a deduction is claimed in sufficient detail to afford identification.

(6) The assessed value of the improvements before remediation and redevelopment.

(7) The increase in the assessed value of improvements resulting from remediation and redevelopment.

(8) The amount of the deduction claimed for the first year of the deduction.

(d) A certified deduction application filed under subsection (a) or (b) is applicable for the year in which the addition to assessed value or assessment of property is made and each subsequent year to which the deduction applies under the resolution adopted under section 24 of this chapter.

(e) A property owner who desires to obtain the deduction provided by section 24 of this chapter but who has failed to file a deduction application within the dates prescribed in subsection (a) or (b) may file a deduction application between March 1 and ~~May 10~~ **August 1** of a subsequent year which is applicable for the year filed and the subsequent years without any additional certified deduction application being filed for the amounts of the deduction which would be applicable to such years under this chapter if such a deduction application had been filed in accordance with subsection (a) or (b).

(f) On verification of the correctness of a certified deduction application by the assessor of the township in which the property is located, the county auditor shall, if the property is covered by a resolution adopted under section 24 of this chapter, make the appropriate deduction.

(g) The amount and period of the deduction provided for property by section 24 of this chapter are not affected by a change in the ownership of the property if the new owner of the property:

(1) is a person that:

C  
o  
p  
y



- 1 (A) has never had an ownership interest in an entity that  
 2 contributed; and  
 3 (B) has not contributed;  
 4 a contaminant (as defined in IC 13-11-2-42) that is the subject of  
 5 the voluntary remediation, as determined under the written  
 6 standards adopted by the department of environmental  
 7 management;  
 8 (2) continues to use the property in compliance with any  
 9 standards established under sections 7 and 23 of this chapter; and  
 10 (3) files an application in the manner provided by subsection (e).

11 (h) The township assessor shall include a notice of the deadlines for  
 12 filing a deduction application under subsections (a) and (b) with each  
 13 notice to a property owner of an addition to assessed value or of a new  
 14 assessment.

15 SECTION 54. IC 6-1.5-4-2 IS ADDED TO THE INDIANA CODE  
 16 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE  
 17 UPON PASSAGE]: **Sec. 2. In order to obtain information that is  
 18 necessary to the Indiana board's conduct of a necessary or proper  
 19 inquiry, the Indiana board or a board administrative law judge  
 20 may:**

- 21 (1) subpoena and examine witnesses;  
 22 (2) administer oaths; and  
 23 (3) subpoena and examine books or papers that are in the  
 24 hands of any person.

25 SECTION 55. IC 6-1.5-5-2, AS AMENDED BY P.L.199-2005,  
 26 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 27 UPON PASSAGE]: **Sec. 2. (a) After receiving a petition for review that  
 28 is filed under a statute listed in section 1(a) of this chapter, the Indiana  
 29 board shall, at its earliest opportunity:**

- 30 (1) conduct a hearing; or  
 31 (2) cause a hearing to be conducted by an administrative law  
 32 judge.

33 The Indiana board may determine to conduct the hearing under  
 34 subdivision (1) on its own motion or on request of a party to the appeal.

35 (b) In its resolution of a petition, the Indiana board may:

- 36 (1) assign:  
 37 (A) full;  
 38 (B) limited; or  
 39 (C) no;  
 40 evidentiary value to the assessed valuation of tangible property  
 41 determined by stipulation submitted as evidence of a comparable  
 42 sale; and

C  
o  
p  
y



(2) correct any errors that may have been made, and adjust the assessment in accordance with the correction.

(c) The Indiana board shall give notice of the date fixed for the hearing by mail to:

- (1) the taxpayer;
- (2) the department of local government finance; and
- (3) the appropriate:
  - (A) township assessor;
  - (B) county assessor; and
  - (C) county auditor.

(d) With respect to an appeal of the assessment of real property or personal property filed after June 30, 2005, the notices required under subsection (c) must include the following:

- (1) The action of the department of local government finance with respect to the appealed items.
- (2) A statement that a taxing unit receiving the notice from the county auditor under subsection (e) may:
  - (A) attend the hearing;
  - (B) offer testimony; and
  - (C) file an amicus curiae brief in the proceeding.

~~A taxing unit that receives a notice from the county auditor under subsection (e) is not a party to the appeal.~~

(e) If, after receiving notice of a hearing under subsection (c), the county auditor determines that the assessed value of the appealed items constitutes at least one percent (1%) of the total gross certified assessed value of a particular taxing unit for the assessment date immediately preceding the assessment date for which the appeal was filed, the county auditor shall send a copy of the notice to the affected taxing unit. **A taxing unit that receives a notice from the county auditor under this subsection is not a party to the appeal.** Failure of the county auditor to send a copy of the notice to the affected taxing unit does not affect the validity of the appeal or delay the appeal.

(f) The Indiana board shall give the notices required under subsection (c) at least thirty (30) days before the day fixed for the hearing.

SECTION 56. IC 6-1.5-5-5, AS AMENDED BY P.L.199-2005, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. After the hearing, the Indiana board shall give the petitioner, the township assessor, the county assessor, the county auditor, ~~the affected taxing units required to be notified under section 2(e) of this chapter,~~ and the department of local government finance:

C  
o  
p  
y



(1) notice, by mail, of its final determination, findings of fact, and conclusions of law; and

(2) notice of the procedures the petitioner or the department of local government finance must follow in order to obtain court review of the final determination of the Indiana board.

**The county auditor shall provide copies of the documents described in subdivisions (1) and (2) to the taxing units entitled to notice under section 2(e) of this chapter.**

SECTION 57. IC 6-1.5-5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 6. (a) The Indiana board shall conduct a hearing or cause a hearing to be conducted within six (6) months after a petition in proper form is filed with the Indiana board, excluding any time due to a delay reasonably caused by the petitioner.

(b) The Indiana board shall make a final determination within the later of forty-five (45) days after the hearing or the date set in an extension order issued by the Indiana board. However, the Indiana board may not extend the final determination date by more than one hundred eighty (180) days.

**(c) The failure of the Indiana board to conduct a hearing within the period prescribed in this section does not constitute notice to the person of an Indiana board final determination.**

~~(c) The failure of~~ **(d) If the Indiana board fails to make a final determination within the time allowed by this section shall be treated as a final determination of after a hearing, the entity that initiated the petition may:**

**(1) take no action and wait for the Indiana board to deny the petition; make a final determination; or**

**(2) initiate a proceeding for judicial review by taking the action required by IC 6-1.1-15-5(b) at any time after the maximum time elapses.**

**(e) If:**

**(1) a judicial proceeding is initiated under subsection (d); and**

**(2) the Indiana board has not issued a determination;**

**the tax court shall determine the matter de novo.**

SECTION 58. IC 8-22-3.5-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 11. (a) The state board of accounts and the department of local government finance shall make the rules and prescribe the forms and procedures that the state board of accounts and department consider appropriate for the implementation of this chapter.

(b) After each general reassessment under IC 6-1.1-4, the

C  
o  
p  
y



department of local government finance shall adjust the base assessed value (as defined in section 9 of this chapter) one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the airport development zone's special funds under section 9 of this chapter.

**(c) After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value (as defined in section 9 of this chapter) to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the airport development zone's special funds under section 9 of this chapter.**

SECTION 59. IC 21-2-21-1.8, AS ADDED BY P.L.214-2005, SECTION 62, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1.8. (a) For purposes of this section, "retirement or severance liability" means the payments anticipated to be required to be made to employees of a school corporation upon or after termination of the employment of the employees by the school corporation under an existing or previous employment agreement.

(b) This section applies to each school corporation that:

- (1) did not issue bonds under IC 20-5-4-1.7 before its repeal; or
- (2) issued bonds under IC 20-5-4-1.7:

**(A) before April 14, 2003; or**

**(B) after April 13, 2003, if an order approving the issuance of the bonds was issued by the department of local government finance before April 14, 2003.**

(c) In addition to the purposes set forth in section 1 of this chapter, a school corporation described in subsection (b) may issue bonds to implement solutions to contractual retirement or severance liability. The issuance of bonds for this purpose is subject to the following conditions:

- (1) The school corporation may issue bonds under this section only one (1) time.
- (2) ~~The~~ **A school corporation described in subsection (b)(1) or (b)(2)(A) must issue the bonds before July 1, 2006. A school corporation described in subsection (b)(2)(B) must file a petition with the department of local government finance under IC 6-1.1-19-8 requesting approval to incur bond indebtedness under this section before July 1, 2006.**
- (3) The solution to which the bonds are contributing must be reasonably expected to reduce the school corporation's unfunded contractual liability for retirement or severance payments as it existed on June 30, 2001.

C  
o  
p  
y



(4) The amount of the bonds that may be issued for the purpose described in this section may not exceed:

(A) two percent (2%) of the true tax value of property in the school corporation, for a school corporation that did not issue bonds under IC 20-5-4-1.7 before its repeal; or

(B) the remainder of:

(i) two percent (2%) of the true tax value of property in the school corporation as of the date that the school corporation issued bonds under IC 20-5-4-1.7; minus

(ii) the amount of bonds that the school corporation issued under IC 20-5-4-1.7;

for a school corporation that issued bonds under IC 20-5-4-1.7 ~~before April 14, 2003~~; **as described in subsection (b)(2).**

(5) Each year that a debt service levy is needed under this section, the school corporation shall reduce the total property tax levy for the school corporation's transportation, school bus replacement, capital projects, or art association and historical society funds in an amount equal to the property tax levy needed for the debt service under this section. The property tax rate for each of these funds shall be reduced each year until the bonds are retired.

(6) The school corporation shall establish a separate debt service fund for repayment of the bonds issued under this section.

(d) Bonds issued for the purpose described in this section shall be issued in the same manner as other bonds of the school corporation.

(e) Bonds issued under this section are not subject to the petition and remonstrance process under IC 6-1.1-20 or to the limitations contained in IC 36-1-15.

SECTION 60. IC 36-7-14-39, AS AMENDED BY P.L.216-2005, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 39. (a) As used in this section:

"Allocation area" means that part of a redevelopment project area to which an allocation provision of a declaratory resolution adopted under section 15 of this chapter refers for purposes of distribution and allocation of property taxes.

"Base assessed value" means the following:

(1) If an allocation provision is adopted after June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing an economic development area:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory

C  
o  
p  
y



- 1 resolution, as adjusted under subsection (h); plus  
 2 (B) to the extent that it is not included in clause (A), the net  
 3 assessed value of property that is assessed as residential  
 4 property under the rules of the department of local government  
 5 finance, as finally determined for any assessment date after the  
 6 effective date of the allocation provision.
- 7 (2) If an allocation provision is adopted after June 30, 1997, in a  
 8 declaratory resolution or an amendment to a declaratory  
 9 resolution establishing a redevelopment project area:  
 10 (A) the net assessed value of all the property as finally  
 11 determined for the assessment date immediately preceding the  
 12 effective date of the allocation provision of the declaratory  
 13 resolution, as adjusted under subsection (h); plus  
 14 (B) to the extent that it is not included in clause (A), the net  
 15 assessed value of property that is assessed as residential  
 16 property under the rules of the department of local government  
 17 finance, as finally determined for any assessment date after the  
 18 effective date of the allocation provision.
- 19 (3) If:  
 20 (A) an allocation provision adopted before June 30, 1995, in  
 21 a declaratory resolution or an amendment to a declaratory  
 22 resolution establishing a redevelopment project area expires  
 23 after June 30, 1997; and  
 24 (B) after June 30, 1997, a new allocation provision is included  
 25 in an amendment to the declaratory resolution;  
 26 the net assessed value of all the property as finally determined for  
 27 the assessment date immediately preceding the effective date of  
 28 the allocation provision adopted after June 30, 1997, as adjusted  
 29 under subsection (h).
- 30 (4) Except as provided in subdivision (5), for all other allocation  
 31 areas, the net assessed value of all the property as finally  
 32 determined for the assessment date immediately preceding the  
 33 effective date of the allocation provision of the declaratory  
 34 resolution, as adjusted under subsection (h).
- 35 (5) If an allocation area established in an economic development  
 36 area before July 1, 1995, is expanded after June 30, 1995, the  
 37 definition in subdivision (1) applies to the expanded part of the  
 38 area added after June 30, 1995.
- 39 (6) If an allocation area established in a redevelopment project  
 40 area before July 1, 1997, is expanded after June 30, 1997, the  
 41 definition in subdivision (2) applies to the expanded part of the  
 42 area added after June 30, 1997.

C  
o  
p  
y



1 Except as provided in section 39.3 of this chapter, "property taxes"  
 2 means taxes imposed under IC 6-1.1 on real property. However, upon  
 3 approval by a resolution of the redevelopment commission adopted  
 4 before June 1, 1987, "property taxes" also includes taxes imposed  
 5 under IC 6-1.1 on depreciable personal property. If a redevelopment  
 6 commission adopted before June 1, 1987, a resolution to include within  
 7 the definition of property taxes taxes imposed under IC 6-1.1 on  
 8 depreciable personal property that has a useful life in excess of eight  
 9 (8) years, the commission may by resolution determine the percentage  
 10 of taxes imposed under IC 6-1.1 on all depreciable personal property  
 11 that will be included within the definition of property taxes. However,  
 12 the percentage included must not exceed twenty-five percent (25%) of  
 13 the taxes imposed under IC 6-1.1 on all depreciable personal property.

14 (b) A declaratory resolution adopted under section 15 of this chapter  
 15 on or before the allocation deadline determined under subsection (i)  
 16 may include a provision with respect to the allocation and distribution  
 17 of property taxes for the purposes and in the manner provided in this  
 18 section. A declaratory resolution previously adopted may include an  
 19 allocation provision by the amendment of that declaratory resolution on  
 20 or before the allocation deadline determined under subsection (i) in  
 21 accordance with the procedures required for its original adoption. A  
 22 declaratory resolution or an amendment that establishes an allocation  
 23 provision after June 30, 1995, must specify an expiration date for the  
 24 allocation provision that may not be more than thirty (30) years after  
 25 the date on which the allocation provision is established. However, if  
 26 bonds or other obligations that were scheduled when issued to mature  
 27 before the specified expiration date and that are payable only from  
 28 allocated tax proceeds with respect to the allocation area remain  
 29 outstanding as of the expiration date, the allocation provision does not  
 30 expire until all of the bonds or other obligations are no longer  
 31 outstanding. The allocation provision may apply to all or part of the  
 32 redevelopment project area. The allocation provision must require that  
 33 any property taxes subsequently levied by or for the benefit of any  
 34 public body entitled to a distribution of property taxes on taxable  
 35 property in the allocation area be allocated and distributed as follows:

36 (1) Except as otherwise provided in this section, the proceeds of  
 37 the taxes attributable to the lesser of:

38 (A) the assessed value of the property for the assessment date  
 39 with respect to which the allocation and distribution is made;  
 40 or

41 (B) the base assessed value;

42 shall be allocated to and, when collected, paid into the funds of

C  
o  
p  
y



the respective taxing units.

(2) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivision (1) shall be allocated to the redevelopment district and, when collected, paid into an allocation fund for that allocation area that may be used by the redevelopment district only to do one (1) or more of the following:

(A) Pay the principal of and interest on any obligations payable solely from allocated tax proceeds which are incurred by the redevelopment district for the purpose of financing or refinancing the redevelopment of that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area.

(C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the special tax levied under section 27 of this chapter.

(D) Pay the principal of and interest on bonds issued by the unit to pay for local public improvements in or serving that allocation area.

(E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in that allocation area.

(F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 25.2 of this chapter.

(G) Reimburse the unit for expenditures made by it for local public improvements (which include buildings, parking facilities, and other items described in section 25.1(a) of this chapter) in or serving that allocation area.

(H) Reimburse the unit for rentals paid by it for a building or parking facility in or serving that allocation area under any lease entered into under IC 36-1-10.

(I) Pay all or a part of a property tax replacement credit to taxpayers in an allocation area as determined by the redevelopment commission. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and

**C  
O  
P  
Y**



IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

(i) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by

(ii) the STEP ONE sum.

STEP THREE: Multiply:

(i) the STEP TWO quotient; times

(ii) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in the taxing district that have been allocated during that year to an allocation fund under this section.

If not all the taxpayers in an allocation area receive the credit in full, each taxpayer in the allocation area is entitled to receive the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under section 39.5 of this chapter in the same year.

(J) Pay expenses incurred by the redevelopment commission for local public improvements that are in the allocation area or serving the allocation area. Public improvements include buildings, parking facilities, and other items described in section 25.1(a) of this chapter.

(K) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.

The allocation fund may not be used for operating expenses of the commission.

(3) Except as provided in subsection (g), before July 15 of each year the commission shall do the following:

(A) Determine the amount, if any, by which the base assessed

**C  
o  
p  
y**



value when multiplied by the estimated tax rate of the allocation area will exceed the amount of assessed value needed to produce the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2).

(B) Notify the county auditor of the amount, if any, of the amount of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in subdivision (1). The commission may not authorize an allocation of assessed value to the respective taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in subdivision (2) or lessors under section 25.3 of this chapter.

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by any taxing unit after the effective date of the allocation provision of the declaratory resolution is the lesser of:

- (1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or
- (2) the base assessed value.

(d) Property tax proceeds allocable to the redevelopment district under subsection (b)(2) may, subject to subsection (b)(3), be irrevocably pledged by the redevelopment district for payment as set forth in subsection (b)(2).

(e) Notwithstanding any other law, each assessor shall, upon petition of the redevelopment commission, reassess the taxable property situated upon or in, or added to, the allocation area, effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

- (1) the assessed value of the property as valued without regard to this section; or
- (2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under

**C**  
**O**  
**P**  
**Y**



subsubsection (b)(2) shall establish an allocation fund for the purposes specified in subsection (b)(2) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund any amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(2) for the year. The amount sufficient for purposes specified in subsection (b)(2) for the year shall be determined based on the pro rata portion of such current property tax proceeds from the part of the enterprise zone that is within the allocation area as compared to all such current property tax proceeds derived from the allocation area. A unit that has no obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) in the fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone. The unit that creates the special zone fund shall use the fund (based on the recommendations of the urban enterprise association) for programs in job training, job enrichment, and basic skill development that are designed to benefit residents and employers in the enterprise zone or other purposes specified in subsection (b)(2), except that where reference is made in subsection (b)(2) to allocation area it shall refer for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone. Those programs shall reserve at least one-half (1/2) of their enrollment in any session for residents of the enterprise zone.

(h) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the redevelopment district under this section. **After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the redevelopment district under this section.** However, the ~~adjustment~~ **adjustments under this subsection** may not include the effect of property tax abatements under IC 6-1.1-12.1, and ~~the adjustment these~~ **adjustments** may not produce less property tax proceeds allocable to

C  
o  
p  
y



the redevelopment district under subsection (b)(2) than would otherwise have been received if the general reassessment **or annual adjustment** had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

(i) The allocation deadline referred to in subsection (b) is determined in the following manner:

(1) The initial allocation deadline is December 31, 2011.

(2) Subject to subdivision (3), the initial allocation deadline and subsequent allocation deadlines are automatically extended in increments of five (5) years, so that allocation deadlines subsequent to the initial allocation deadline fall on December 31, 2016, and December 31 of each fifth year thereafter.

(3) At least one (1) year before the date of an allocation deadline determined under subdivision (2), the general assembly may enact a law that:

(A) terminates the automatic extension of allocation deadlines under subdivision (2); and

(B) specifically designates a particular date as the final allocation deadline.

SECTION 61. IC 36-7-15.1-26, AS AMENDED BY P.L.216-2005, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 26. (a) As used in this section:

"Allocation area" means that part of a redevelopment project area to which an allocation provision of a resolution adopted under section 8 of this chapter refers for purposes of distribution and allocation of property taxes.

"Base assessed value" means the following:

(1) If an allocation provision is adopted after June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing an economic development area:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

(2) If an allocation provision is adopted after June 30, 1997, in a

C  
o  
p  
y



1 declaratory resolution or an amendment to a declaratory  
2 resolution establishing a redevelopment project area:

3 (A) the net assessed value of all the property as finally  
4 determined for the assessment date immediately preceding the  
5 effective date of the allocation provision of the declaratory  
6 resolution, as adjusted under subsection (h); plus

7 (B) to the extent that it is not included in clause (A), the net  
8 assessed value of property that is assessed as residential  
9 property under the rules of the department of local government  
10 finance, as finally determined for any assessment date after the  
11 effective date of the allocation provision.

12 (3) If:

13 (A) an allocation provision adopted before June 30, 1995, in  
14 a declaratory resolution or an amendment to a declaratory  
15 resolution establishing a redevelopment project area expires  
16 after June 30, 1997; and

17 (B) after June 30, 1997, a new allocation provision is included  
18 in an amendment to the declaratory resolution;

19 the net assessed value of all the property as finally determined for  
20 the assessment date immediately preceding the effective date of  
21 the allocation provision adopted after June 30, 1997, as adjusted  
22 under subsection (h).

23 (4) Except as provided in subdivision (5), for all other allocation  
24 areas, the net assessed value of all the property as finally  
25 determined for the assessment date immediately preceding the  
26 effective date of the allocation provision of the declaratory  
27 resolution, as adjusted under subsection (h).

28 (5) If an allocation area established in an economic development  
29 area before July 1, 1995, is expanded after June 30, 1995, the  
30 definition in subdivision (1) applies to the expanded part of the  
31 area added after June 30, 1995.

32 (6) If an allocation area established in a redevelopment project  
33 area before July 1, 1997, is expanded after June 30, 1997, the  
34 definition in subdivision (2) applies to the expanded part of the  
35 area added after June 30, 1997.

36 Except as provided in section 26.2 of this chapter, "property taxes"  
37 means taxes imposed under IC 6-1.1 on real property. However, upon  
38 approval by a resolution of the redevelopment commission adopted  
39 before June 1, 1987, "property taxes" also includes taxes imposed  
40 under IC 6-1.1 on depreciable personal property. If a redevelopment  
41 commission adopted before June 1, 1987, a resolution to include within  
42 the definition of property taxes taxes imposed under IC 6-1.1 on

C  
o  
p  
y



depreciable personal property that has a useful life in excess of eight (8) years, the commission may by resolution determine the percentage of taxes imposed under IC 6-1.1 on all depreciable personal property that will be included within the definition of property taxes. However, the percentage included must not exceed twenty-five percent (25%) of the taxes imposed under IC 6-1.1 on all depreciable personal property.

(b) A resolution adopted under section 8 of this chapter on or before the allocation deadline determined under subsection (i) may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A resolution previously adopted may include an allocation provision by the amendment of that resolution on or before the allocation deadline determined under subsection (i) in accordance with the procedures required for its original adoption. A declaratory resolution or an amendment that establishes an allocation provision after June 30, 1995, must specify an expiration date for the allocation provision that may not be more than thirty (30) years after the date on which the allocation provision is established. However, if bonds or other obligations that were scheduled when issued to mature before the specified expiration date and that are payable only from allocated tax proceeds with respect to the allocation area remain outstanding as of the expiration date, the allocation provision does not expire until all of the bonds or other obligations are no longer outstanding. The allocation provision may apply to all or part of the redevelopment project area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value; shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivision (1) shall be allocated to the redevelopment district and, when collected, paid into a special fund for that allocation area that may be used by the redevelopment district only to do one (1) or more of the following:

**C  
o  
p  
y**



(A) Pay the principal of and interest on any obligations payable solely from allocated tax proceeds that are incurred by the redevelopment district for the purpose of financing or refinancing the redevelopment of that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area.

(C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the special tax levied under section 19 of this chapter.

(D) Pay the principal of and interest on bonds issued by the consolidated city to pay for local public improvements in that allocation area.

(E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in that allocation area.

(F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 17.1 of this chapter.

(G) Reimburse the consolidated city for expenditures for local public improvements (which include buildings, parking facilities, and other items set forth in section 17 of this chapter) in that allocation area.

(H) Reimburse the unit for rentals paid by it for a building or parking facility in that allocation area under any lease entered into under IC 36-1-10.

(I) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.

The special fund may not be used for operating expenses of the commission.

(3) Before July 15 of each year, the commission shall do the

**C  
o  
p  
y**



following:

(A) Determine the amount, if any, by which the base assessed value when multiplied by the estimated tax rate of the allocated area will exceed the amount of assessed value needed to provide the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2) and subsection (g).

(B) Notify the county auditor of the amount, if any, of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

The commission may not authorize an allocation to the respective taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in subdivision (2).

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by any taxing unit after the effective date of the allocation provision of the resolution is the lesser of:

- (1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or
- (2) the base assessed value.

(d) Property tax proceeds allocable to the redevelopment district under subsection (b)(2) may, subject to subsection (b)(3), be irrevocably pledged by the redevelopment district for payment as set forth in subsection (b)(2).

(e) Notwithstanding any other law, each assessor shall, upon petition of the commission, reassess the taxable property situated upon or in, or added to, the allocation area, effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

- (1) the assessed value of the property as valued without regard to this section; or
- (2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under

**C  
O  
P  
Y**



subsection (b)(2) shall establish an allocation fund for the purposes specified in subsection (b)(2) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund the amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(2) for the year. A unit that has no obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) in the fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone. The unit that creates the special zone fund shall use the fund, based on the recommendations of the urban enterprise association, for one (1) or more of the following purposes:

(1) To pay for programs in job training, job enrichment, and basic skill development designed to benefit residents and employers in the enterprise zone. The programs must reserve at least one-half (1/2) of the enrollment in any session for residents of the enterprise zone.

(2) To make loans and grants for the purpose of stimulating business activity in the enterprise zone or providing employment for enterprise zone residents in the enterprise zone. These loans and grants may be made to the following:

(A) Businesses operating in the enterprise zone.

(B) Businesses that will move their operations to the enterprise zone if such a loan or grant is made.

(3) To provide funds to carry out other purposes specified in subsection (b)(2). However, where reference is made in subsection (b)(2) to the allocation area, the reference refers for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone.

(h) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the redevelopment district under this section. **After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base**

C  
o  
p  
y



1 **assessed value to neutralize any effect of the annual adjustment on**  
 2 **the property tax proceeds allocated to the redevelopment district**  
 3 **under this section.** However, the ~~adjustment~~ **adjustments under this**  
 4 **subsection** may not include the effect of property tax abatements under  
 5 IC 6-1.1-12.1, and ~~the adjustment~~ **these adjustments** may not produce  
 6 less property tax proceeds allocable to the redevelopment district under  
 7 subsection (b)(2) than would otherwise have been received if the  
 8 general reassessment **or annual adjustment** had not occurred. The  
 9 department of local government finance may prescribe procedures for  
 10 county and township officials to follow to assist the department in  
 11 making the adjustments.

12 (i) The allocation deadline referred to in subsection (b) is  
 13 determined in the following manner:

14 (1) The initial allocation deadline is December 31, 2011.

15 (2) Subject to subdivision (3), the initial allocation deadline and  
 16 subsequent allocation deadlines are automatically extended in  
 17 increments of five (5) years, so that allocation deadlines  
 18 subsequent to the initial allocation deadline fall on December 31,  
 19 2016, and December 31 of each fifth year thereafter.

20 (3) At least one (1) year before the date of an allocation deadline  
 21 determined under subdivision (2), the general assembly may enact  
 22 a law that:

23 (A) terminates the automatic extension of allocation deadlines  
 24 under subdivision (2); and

25 (B) specifically designates a particular date as the final  
 26 allocation deadline.

27 SECTION 62. IC 36-7-15.1-53, AS AMENDED BY P.L.216-2005,  
 28 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 29 JANUARY 1, 2006 (RETROACTIVE)]: Sec. 53. (a) As used in this  
 30 section:

31 "Allocation area" means that part of a redevelopment project area  
 32 to which an allocation provision of a resolution adopted under section  
 33 40 of this chapter refers for purposes of distribution and allocation of  
 34 property taxes.

35 "Base assessed value" means:

36 (1) the net assessed value of all the property as finally determined  
 37 for the assessment date immediately preceding the effective date  
 38 of the allocation provision of the declaratory resolution, as  
 39 adjusted under subsection (h); plus

40 (2) to the extent that it is not included in subdivision (1), the net  
 41 assessed value of property that is assessed as residential property  
 42 under the rules of the department of local government finance, as

C  
o  
p  
y



1 finally determined for any assessment date after the effective date  
2 of the allocation provision.

3 Except as provided in section 55 of this chapter, "property taxes"  
4 means taxes imposed under IC 6-1.1 on real property.

5 (b) A resolution adopted under section 40 of this chapter on or  
6 before the allocation deadline determined under subsection (i) may  
7 include a provision with respect to the allocation and distribution of  
8 property taxes for the purposes and in the manner provided in this  
9 section. A resolution previously adopted may include an allocation  
10 provision by the amendment of that resolution on or before the  
11 allocation deadline determined under subsection (i) in accordance with  
12 the procedures required for its original adoption. A declaratory  
13 resolution or an amendment that establishes an allocation provision  
14 must be approved by resolution of the legislative body of the excluded  
15 city and must specify an expiration date for the allocation provision  
16 that may not be more than thirty (30) years after the date on which the  
17 allocation provision is established. However, if bonds or other  
18 obligations that were scheduled when issued to mature before the  
19 specified expiration date and that are payable only from allocated tax  
20 proceeds with respect to the allocation area remain outstanding as of  
21 the expiration date, the allocation provision does not expire until all of  
22 the bonds or other obligations are no longer outstanding. The allocation  
23 provision may apply to all or part of the redevelopment project area.  
24 The allocation provision must require that any property taxes  
25 subsequently levied by or for the benefit of any public body entitled to  
26 a distribution of property taxes on taxable property in the allocation  
27 area be allocated and distributed as follows:

28 (1) Except as otherwise provided in this section, the proceeds of  
29 the taxes attributable to the lesser of:

30 (A) the assessed value of the property for the assessment date  
31 with respect to which the allocation and distribution is made;

32 or

33 (B) the base assessed value;

34 shall be allocated to and, when collected, paid into the funds of  
35 the respective taxing units.

36 (2) Except as otherwise provided in this section, property tax  
37 proceeds in excess of those described in subdivision (1) shall be  
38 allocated to the redevelopment district and, when collected, paid  
39 into a special fund for that allocation area that may be used by the  
40 redevelopment district only to do one (1) or more of the  
41 following:

42 (A) Pay the principal of and interest on any obligations

C  
o  
p  
y



payable solely from allocated tax proceeds that are incurred by the redevelopment district for the purpose of financing or refinancing the redevelopment of that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area.

(C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the special tax levied under section 50 of this chapter.

(D) Pay the principal of and interest on bonds issued by the excluded city to pay for local public improvements in that allocation area.

(E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in that allocation area.

(F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 46 of this chapter.

(G) Reimburse the excluded city for expenditures for local public improvements (which include buildings, park facilities, and other items set forth in section 45 of this chapter) in that allocation area.

(H) Reimburse the unit for rentals paid by it for a building or parking facility in that allocation area under any lease entered into under IC 36-1-10.

(I) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.

The special fund may not be used for operating expenses of the commission.

(3) Before July 15 of each year, the commission shall do the following:

C  
o  
p  
y



(A) Determine the amount, if any, by which property taxes payable to the allocation fund in the following year will exceed the amount of assessed value needed to provide the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2) and subsection (g).

(B) Notify the county auditor of the amount, if any, of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

The commission may not authorize an allocation to the respective taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in subdivision (2).

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by any taxing unit after the effective date of the allocation provision of the resolution is the lesser of:

- (1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or
- (2) the base assessed value.

(d) Property tax proceeds allocable to the redevelopment district under subsection (b)(2) may, subject to subsection (b)(3), be irrevocably pledged by the redevelopment district for payment as set forth in subsection (b)(2).

(e) Notwithstanding any other law, each assessor shall, upon petition of the commission, reassess the taxable property situated upon or in, or added to, the allocation area, effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located, is the lesser of:

- (1) the assessed value of the property as valued without regard to this section; or
- (2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish an allocation fund for the purposes

**C**  
**O**  
**P**  
**Y**



specified in subsection (b)(2) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund the amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(2) for the year. A unit that has no obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) in the fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone. The unit that creates the special zone fund shall use the fund, based on the recommendations of the urban enterprise association, for one (1) or more of the following purposes:

(1) To pay for programs in job training, job enrichment, and basic skill development designed to benefit residents and employers in the enterprise zone. The programs must reserve at least one-half (1/2) of the enrollment in any session for residents of the enterprise zone.

(2) To make loans and grants for the purpose of stimulating business activity in the enterprise zone or providing employment for enterprise zone residents in an enterprise zone. These loans and grants may be made to the following:

(A) Businesses operating in the enterprise zone.

(B) Businesses that will move their operations to the enterprise zone if such a loan or grant is made.

(3) To provide funds to carry out other purposes specified in subsection (b)(2). However, where reference is made in subsection (b)(2) to the allocation area, the reference refers, for purposes of payments from the special zone fund, only to that part of the allocation area that is also located in the enterprise zone.

(h) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the redevelopment district under this section. **After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual adjustment on**

C  
o  
p  
y



1 **the property tax proceeds allocated to the redevelopment district**  
 2 **under this section.** However, the ~~adjustment~~ **adjustments under this**  
 3 **subsection** may not include the effect of property tax abatements under  
 4 IC 6-1.1-12.1, and ~~the adjustment~~ **these adjustments** may not produce  
 5 less property tax proceeds allocable to the redevelopment district under  
 6 subsection (b)(2) than would otherwise have been received if the  
 7 general reassessment **or annual adjustment** had not occurred. The  
 8 department of local government finance may prescribe procedures for  
 9 county and township officials to follow to assist the department in  
 10 making the adjustments.

11 (i) The allocation deadline referred to in subsection (b) is  
 12 determined in the following manner:

13 (1) The initial allocation deadline is December 31, 2011.

14 (2) Subject to subdivision (3), the initial allocation deadline and  
 15 subsequent allocation deadlines are automatically extended in  
 16 increments of five (5) years, so that allocation deadlines  
 17 subsequent to the initial allocation deadline fall on December 31,  
 18 2016, and December 31 of each fifth year thereafter.

19 (3) At least one (1) year before the date of an allocation deadline  
 20 determined under subdivision (2), the general assembly may enact  
 21 a law that:

22 (A) terminates the automatic extension of allocation deadlines  
 23 under subdivision (2); and

24 (B) specifically designates a particular date as the final  
 25 allocation deadline.

26 SECTION 63. IC 36-7-30-25, AS AMENDED BY P.L.4-2005,  
 27 SECTION 141, IS AMENDED TO READ AS FOLLOWS  
 28 [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 25. (a) The  
 29 following definitions apply throughout this section:

30 (1) "Allocation area" means that part of a military base reuse area  
 31 to which an allocation provision of a declaratory resolution  
 32 adopted under section 10 of this chapter refers for purposes of  
 33 distribution and allocation of property taxes.

34 (2) "Base assessed value" means:

35 (A) the net assessed value of all the property as finally  
 36 determined for the assessment date immediately preceding the  
 37 adoption date of the allocation provision of the declaratory  
 38 resolution, as adjusted under subsection (h); plus

39 (B) to the extent that it is not included in clause (A) or (C), the  
 40 net assessed value of any and all parcels or classes of parcels  
 41 identified as part of the base assessed value in the declaratory  
 42 resolution or an amendment thereto, as finally determined for

C  
o  
p  
y



any subsequent assessment date; plus  
 (C) to the extent that it is not included in clause (A) or (B), the  
 net assessed value of property that is assessed as residential  
 property under the rules of the department of local government  
 finance, as finally determined for any assessment date after the  
 effective date of the allocation provision.

Clause (C) applies only to allocation areas established in a  
 military reuse area after June 30, 1997, and to the part of an  
 allocation area that was established before June 30, 1997, and that  
 is added to an existing allocation area after June 30, 1997.

(3) "Property taxes" means taxes imposed under IC 6-1.1 on real  
 property.

(b) A declaratory resolution adopted under section 10 of this chapter  
 before the date set forth in IC 36-7-14-39(b) pertaining to declaratory  
 resolutions adopted under IC 36-7-14-15 may include a provision with  
 respect to the allocation and distribution of property taxes for the  
 purposes and in the manner provided in this section. A declaratory  
 resolution previously adopted may include an allocation provision by  
 the amendment of that declaratory resolution in accordance with the  
 procedures set forth in section 13 of this chapter. The allocation  
 provision may apply to all or part of the military base reuse area. The  
 allocation provision must require that any property taxes subsequently  
 levied by or for the benefit of any public body entitled to a distribution  
 of property taxes on taxable property in the allocation area be allocated  
 and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of  
 the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date  
 with respect to which the allocation and distribution is made;  
 or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of  
 the respective taxing units.

(2) Except as otherwise provided in this section, property tax  
 proceeds in excess of those described in subdivision (1) shall be  
 allocated to the military base reuse district and, when collected,  
 paid into an allocation fund for that allocation area that may be  
 used by the military base reuse district and only to do one (1) or  
 more of the following:

(A) Pay the principal of and interest and redemption premium  
 on any obligations incurred by the military base reuse district  
 or any other entity for the purpose of financing or refinancing

C  
o  
p  
y



1 military base reuse activities in or directly serving or  
2 benefiting that allocation area.

3 (B) Establish, augment, or restore the debt service reserve for  
4 bonds payable solely or in part from allocated tax proceeds in  
5 that allocation area or from other revenues of the reuse  
6 authority, including lease rental revenues.

7 (C) Make payments on leases payable solely or in part from  
8 allocated tax proceeds in that allocation area.

9 (D) Reimburse any other governmental body for expenditures  
10 made for local public improvements (or structures) in or  
11 directly serving or benefiting that allocation area.

12 (E) Pay all or a part of a property tax replacement credit to  
13 taxpayers in an allocation area as determined by the reuse  
14 authority. This credit equals the amount determined under the  
15 following STEPS for each taxpayer in a taxing district (as  
16 defined in IC 6-1.1-1-20) that contains all or part of the  
17 allocation area:

18 STEP ONE: Determine that part of the sum of the amounts  
19 under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2),  
20 IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and  
21 IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

22 STEP TWO: Divide:

23 (i) that part of each county's eligible property tax  
24 replacement amount (as defined in IC 6-1.1-21-2) for that  
25 year as determined under IC 6-1.1-21-4 that is attributable  
26 to the taxing district; by

27 (ii) the STEP ONE sum.

28 STEP THREE: Multiply:

29 (i) the STEP TWO quotient; times

30 (ii) the total amount of the taxpayer's taxes (as defined in  
31 IC 6-1.1-21-2) levied in the taxing district that have been  
32 allocated during that year to an allocation fund under this  
33 section.

34 If not all the taxpayers in an allocation area receive the credit  
35 in full, each taxpayer in the allocation area is entitled to  
36 receive the same proportion of the credit. A taxpayer may not  
37 receive a credit under this section and a credit under section  
38 27 of this chapter in the same year.

39 (F) Pay expenses incurred by the reuse authority for local  
40 public improvements or structures that were in the allocation  
41 area or directly serving or benefiting the allocation area.

42 (G) Reimburse public and private entities for expenses

C  
o  
p  
y



incurred in training employees of industrial facilities that are located:

- (i) in the allocation area; and
- (ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made not more than three (3) years after the date on which the investments that are the basis for the increment financing are made.

The allocation fund may not be used for operating expenses of the reuse authority.

(3) Except as provided in subsection (g), before July 15 of each year the reuse authority shall do the following:

(A) Determine the amount, if any, by which property taxes payable to the allocation fund in the following year will exceed the amount of property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2).

(B) Notify the county auditor of the amount, if any, of the amount of excess property taxes that the reuse authority has determined may be paid to the respective taxing units in the manner prescribed in subdivision (1). The reuse authority may not authorize a payment to the respective taxing units under this subdivision if to do so would endanger the interest of the holders of bonds described in subdivision (2) or lessors under section 19 of this chapter. Property taxes received by a taxing unit under this subdivision are eligible for the property tax replacement credit provided under IC 6-1.1-21.

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by a taxing unit after the effective date of the allocation provision of the declaratory resolution is the lesser of:

- (1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or
- (2) the base assessed value.

(d) Property tax proceeds allocable to the military base reuse district under subsection (b)(2) may, subject to subsection (b)(3), be

**C  
O  
P  
Y**



1 irrevocably pledged by the military base reuse district for payment as  
2 set forth in subsection (b)(2).

3 (e) Notwithstanding any other law, each assessor shall, upon  
4 petition of the reuse authority, reassess the taxable property situated  
5 upon or in or added to the allocation area, effective on the next  
6 assessment date after the petition.

7 (f) Notwithstanding any other law, the assessed value of all taxable  
8 property in the allocation area, for purposes of tax limitation, property  
9 tax replacement, and the making of the budget, tax rate, and tax levy  
10 for each political subdivision in which the property is located is the  
11 lesser of:

12 (1) the assessed value of the property as valued without regard to  
13 this section; or

14 (2) the base assessed value.

15 (g) If any part of the allocation area is located in an enterprise zone  
16 created under IC 5-28-15, the unit that designated the allocation area  
17 shall create funds as specified in this subsection. A unit that has  
18 obligations, bonds, or leases payable from allocated tax proceeds under  
19 subsection (b)(2) shall establish an allocation fund for the purposes  
20 specified in subsection (b)(2) and a special zone fund. Such a unit  
21 shall, until the end of the enterprise zone phase out period, deposit each  
22 year in the special zone fund any amount in the allocation fund derived  
23 from property tax proceeds in excess of those described in subsection  
24 (b)(1) from property located in the enterprise zone that exceeds the  
25 amount sufficient for the purposes specified in subsection (b)(2) for the  
26 year. The amount sufficient for purposes specified in subsection (b)(2)  
27 for the year shall be determined based on the pro rata part of such  
28 current property tax proceeds from the part of the enterprise zone that  
29 is within the allocation area as compared to all such current property  
30 tax proceeds derived from the allocation area. A unit that does not have  
31 obligations, bonds, or leases payable from allocated tax proceeds under  
32 subsection (b)(2) shall establish a special zone fund and deposit all the  
33 property tax proceeds in excess of those described in subsection (b)(1)  
34 that are derived from property in the enterprise zone in the fund. The  
35 unit that creates the special zone fund shall use the fund (based on the  
36 recommendations of the urban enterprise association) for programs in  
37 job training, job enrichment, and basic skill development that are  
38 designed to benefit residents and employers in the enterprise zone or  
39 other purposes specified in subsection (b)(2), except that where  
40 reference is made in subsection (b)(2) to allocation area it shall refer  
41 for purposes of payments from the special zone fund only to that part  
42 of the allocation area that is also located in the enterprise zone. The

C  
o  
p  
y



1 programs shall reserve at least one-half (1/2) of their enrollment in any  
2 session for residents of the enterprise zone.

3 (h) After each general reassessment under IC 6-1.1-4, the  
4 department of local government finance shall adjust the base assessed  
5 value one (1) time to neutralize any effect of the general reassessment  
6 on the property tax proceeds allocated to the military base reuse district  
7 under this section. **After each annual adjustment under**  
8 **IC 6-1.1-4-4.5, the department of local government finance shall**  
9 **adjust the base assessed value to neutralize any effect of the annual**  
10 **adjustment on the property tax proceeds allocated to the military**  
11 **base reuse district under this section.** However, the adjustment  
12 adjustments under this subsection may not include the effect of  
13 property tax abatements under IC 6-1.1-12.1, and ~~the adjustment these~~  
14 **adjustments** may not produce less property tax proceeds allocable to  
15 the military base reuse district under subsection (b)(2) than would  
16 otherwise have been received if the general reassessment **or annual**  
17 **adjustment** had not occurred. The department of local government  
18 finance may prescribe procedures for county and township officials to  
19 follow to assist the department in making the adjustments.

20 SECTION 64. IC 36-7-30.5-30, AS ADDED BY P.L.203-2005,  
21 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
22 JANUARY 1, 2006 (RETROACTIVE)]: Sec. 30. (a) The following  
23 definitions apply throughout this section:

- 24 (1) "Allocation area" means that part of a military base  
25 development area to which an allocation provision of a  
26 declaratory resolution adopted under section 16 of this chapter  
27 refers for purposes of distribution and allocation of property taxes.  
28 (2) "Base assessed value" means:

29 (A) the net assessed value of all the property as finally  
30 determined for the assessment date immediately preceding the  
31 adoption date of the allocation provision of the declaratory  
32 resolution, as adjusted under subsection (h); plus

33 (B) to the extent that it is not included in clause (A) or (C), the  
34 net assessed value of any and all parcels or classes of parcels  
35 identified as part of the base assessed value in the declaratory  
36 resolution or an amendment to the declaratory resolution, as  
37 finally determined for any subsequent assessment date; plus

38 (C) to the extent that it is not included in clause (A) or (B), the  
39 net assessed value of property that is assessed as residential  
40 property under the rules of the department of local government  
41 finance, as finally determined for any assessment date after the  
42 effective date of the allocation provision.

C  
o  
p  
y



(3) "Property taxes" means taxes imposed under IC 6-1.1 on real property.

(b) A declaratory resolution adopted under section 16 of this chapter before the date set forth in IC 36-7-14-39(b) pertaining to declaratory resolutions adopted under IC 36-7-14-15 may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A declaratory resolution previously adopted may include an allocation provision by the amendment of that declaratory resolution in accordance with the procedures set forth in section 18 of this chapter. The allocation provision may apply to all or part of the military base development area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivision (1) shall be allocated to the development authority and, when collected, paid into an allocation fund for that allocation area that may be used by the development authority and only to do one (1) or more of the following:

(A) Pay the principal of and interest and redemption premium on any obligations incurred by the development authority or any other entity for the purpose of financing or refinancing military base development or reuse activities in or directly serving or benefitting that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area or from other revenues of the development authority, including lease rental revenues.

(C) Make payments on leases payable solely or in part from allocated tax proceeds in that allocation area.

(D) Reimburse any other governmental body for expenditures made for local public improvements (or structures) in or

**C  
O  
P  
Y**



directly serving or benefitting that allocation area.

(E) Pay all or a part of a property tax replacement credit to taxpayers in an allocation area as determined by the development authority. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

(i) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by

(ii) the STEP ONE sum.

STEP THREE: Multiply:

(i) the STEP TWO quotient; by

(ii) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in the taxing district that have been allocated during that year to an allocation fund under this section.

If not all the taxpayers in an allocation area receive the credit in full, each taxpayer in the allocation area is entitled to receive the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under section 32 of this chapter in the same year.

(F) Pay expenses incurred by the development authority for local public improvements or structures that were in the allocation area or directly serving or benefitting the allocation area.

(G) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the

**C  
o  
p  
y**



1 industrial facilities described in this clause. The  
 2 reimbursements under this clause must be made not more than  
 3 three (3) years after the date on which the investments that are  
 4 the basis for the increment financing are made.

5 The allocation fund may not be used for operating expenses of the  
 6 development authority.

7 (3) Except as provided in subsection (g), before July 15 of each  
 8 year the development authority shall do the following:

9 (A) Determine the amount, if any, by which property taxes  
 10 payable to the allocation fund in the following year will exceed  
 11 the amount of property taxes necessary to make, when due,  
 12 principal and interest payments on bonds described in  
 13 subdivision (2) plus the amount necessary for other purposes  
 14 described in subdivision (2).

15 (B) Notify the appropriate county auditor of the amount, if any,  
 16 of the amount of excess property taxes that the development  
 17 authority has determined may be paid to the respective taxing  
 18 units in the manner prescribed in subdivision (1). The  
 19 development authority may not authorize a payment to the  
 20 respective taxing units under this subdivision if to do so would  
 21 endanger the interest of the holders of bonds described in  
 22 subdivision (2) or lessors under section 24 of this chapter.  
 23 Property taxes received by a taxing unit under this subdivision  
 24 are eligible for the property tax replacement credit provided  
 25 under IC 6-1.1-21.

26 (c) For the purpose of allocating taxes levied by or for any taxing  
 27 unit or units, the assessed value of taxable property in a territory in the  
 28 allocation area that is annexed by a taxing unit after the effective date  
 29 of the allocation provision of the declaratory resolution is the lesser of:

30 (1) the assessed value of the property for the assessment date with  
 31 respect to which the allocation and distribution is made; or

32 (2) the base assessed value.

33 (d) Property tax proceeds allocable to the military base development  
 34 district under subsection (b)(2) may, subject to subsection (b)(3), be  
 35 irrevocably pledged by the military base development district for  
 36 payment as set forth in subsection (b)(2).

37 (e) Notwithstanding any other law, each assessor shall, upon  
 38 petition of the development authority, reassess the taxable property  
 39 situated upon or in or added to the allocation area, effective on the next  
 40 assessment date after the petition.

41 (f) Notwithstanding any other law, the assessed value of all taxable  
 42 property in the allocation area, for purposes of tax limitation, property

C  
o  
p  
y



1 tax replacement, and the making of the budget, tax rate, and tax levy  
 2 for each political subdivision in which the property is located is the  
 3 lesser of:

- 4 (1) the assessed value of the property as valued without regard to
- 5 this section; or
- 6 (2) the base assessed value.

7 (g) If any part of the allocation area is located in an enterprise zone  
 8 created under IC 5-28-15, the development authority shall create funds  
 9 as specified in this subsection. A development authority that has  
 10 obligations, bonds, or leases payable from allocated tax proceeds under  
 11 subsection (b)(2) shall establish an allocation fund for the purposes  
 12 specified in subsection (b)(2) and a special zone fund. The  
 13 development authority shall, until the end of the enterprise zone phase  
 14 out period, deposit each year in the special zone fund any amount in the  
 15 allocation fund derived from property tax proceeds in excess of those  
 16 described in subsection (b)(1) from property located in the enterprise  
 17 zone that exceeds the amount sufficient for the purposes specified in  
 18 subsection (b)(2) for the year. The amount sufficient for purposes  
 19 specified in subsection (b)(2) for the year shall be determined based on  
 20 the pro rata part of such current property tax proceeds from the part of  
 21 the enterprise zone that is within the allocation area as compared to all  
 22 such current property tax proceeds derived from the allocation area. A  
 23 development authority that does not have obligations, bonds, or leases  
 24 payable from allocated tax proceeds under subsection (b)(2) shall  
 25 establish a special zone fund and deposit all the property tax proceeds  
 26 in excess of those described in subsection (b)(1) that are derived from  
 27 property in the enterprise zone in the fund. The development authority  
 28 that creates the special zone fund shall use the fund (based on the  
 29 recommendations of the urban enterprise association) for programs in  
 30 job training, job enrichment, and basic skill development that are  
 31 designed to benefit residents and employers in the enterprise zone or  
 32 for other purposes specified in subsection (b)(2), except that where  
 33 reference is made in subsection (b)(2) to an allocation area it shall refer  
 34 for purposes of payments from the special zone fund only to that part  
 35 of the allocation area that is also located in the enterprise zone. The  
 36 programs shall reserve at least one-half (1/2) of their enrollment in any  
 37 session for residents of the enterprise zone.

38 (h) After each general reassessment under IC 6-1.1-4, the  
 39 department of local government finance shall adjust the base assessed  
 40 value one (1) time to neutralize any effect of the general reassessment  
 41 on the property tax proceeds allocated to the military base development  
 42 district under this section. **After each annual adjustment under**

C  
o  
p  
y



1 **IC 6-1.1-4-4.5, the department of local government finance shall**  
 2 **adjust the base assessed value to neutralize any effect of the annual**  
 3 **adjustment on the property tax proceeds allocated to the military**  
 4 **base development district under this section.** However, the  
 5 ~~adjustment~~ **adjustments under this subsection** may not include the  
 6 effect of property tax abatements under IC 6-1.1-12.1, and ~~the~~  
 7 ~~adjustment~~ **these adjustments** may not produce less property tax  
 8 proceeds allocable to the military base development district under  
 9 subsection (b)(2) than would otherwise have been received if the  
 10 general reassessment **or annual adjustment** had not occurred. The  
 11 department of local government finance may prescribe procedures for  
 12 county and township officials to follow to assist the department in  
 13 making the adjustments.

14 **SECTION 65. IC 36-7-32-19 IS AMENDED TO READ AS**  
 15 **FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]:**  
 16 **Sec. 19. (a)** The state board of accounts and department of local  
 17 government finance shall make the rules and prescribe the forms and  
 18 procedures that the state board of accounts and department of local  
 19 government finance consider appropriate for the implementation of an  
 20 allocation area under this chapter.

21 (b) After each general reassessment under IC 6-1.1-4, the  
 22 department of local government finance shall adjust the base assessed  
 23 value one (1) time to neutralize any effect of the general reassessment  
 24 on the property tax proceeds allocated to the certified technology park  
 25 fund under section 17 of this chapter. **After each annual adjustment**  
 26 **under IC 6-1.1-4-4.5, the department of local government finance**  
 27 **shall adjust the base assessed value to neutralize any effect of the**  
 28 **annual adjustment on the property tax proceeds allocated to the**  
 29 **certified technology park fund under section 17 of this chapter.**

30 **SECTION 66. [EFFECTIVE UPON PASSAGE] The following, all**  
 31 **as added or amended by this act, apply only to property taxes first**  
 32 **due and payable after December 31, 2006:**

- 33 (1) IC 6-1.1-8-28.
- 34 (2) IC 6-1.1-8-29.
- 35 (3) IC 6-1.1-8-30.
- 36 (4) IC 6-1.1-12-2.
- 37 (5) IC 6-1.1-12-4.
- 38 (6) IC 6-1.1-12-10.1.
- 39 (7) IC 6-1.1-12-12.
- 40 (8) IC 6-1.1-12-15.
- 41 (9) IC 6-1.1-12-17.
- 42 (10) IC 6-1.1-12-17.5.



C  
o  
p  
y

(11) IC 6-1.1-12-17.8.

(12) IC 6-1.1-12.1-4.5.

(13) IC 6-1.1-17-5.

(14) IC 6-1.1-17-15.2.

(15) IC 6-1.1-18.5-1.

(16) IC 6-1.1-18.5-13.7.

(17) IC 6-1.1-18.5-16.

(18) IC 6-1.1-20.9-3.

(19) IC 6-1.1-40-10.

SECTION 67. [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)] IC 6-1.1-4-12, as amended by this act, applies only to assessment dates after December 31, 2005.

SECTION 68. [EFFECTIVE UPON PASSAGE] (a) This SECTION applies notwithstanding IC 6-1.1-8 or 50 IAC 5.1.

(b) As used in this SECTION, "amended return" means a return:

(1) that was filed after July 31, 2005; and

(2) that the department accepts as a taxpayer's final amended return for the assessment date.

(c) As used in this SECTION, "assessment date" means the March 1, 2005, assessment date.

(d) As used in this SECTION, "department" refers to the department of local government finance.

(e) As used in this SECTION, "return" means the statement of value and description of property required under IC 6-1.1-8-19 that is filed on the Annual Report (U.D. Form 45), as prescribed by the department, and is filed with the department on or before July 31, 2005.

(f) As used in this SECTION, "taxpayer" means a taxpayer that meets the requirements of subsection (g).

(g) This SECTION applies to any taxpayer that:

(1) is a public utility that provides water utility services in Indiana and is subject to taxation under IC 6-1.1-8;

(2) is required to file a return under IC 6-1.1-8-19;

(3) filed a return with the department with respect to the assessment date; and

(4) filed an amended return with the department with respect to the assessment date.

(h) Before June 1, 2006, the department shall review the assessed value identified on line 47 of the taxpayer's amended return as the assessed value of all the taxpayer's distributable property as of the assessment date. If the department determines

**C  
o  
p  
y**



1 that this assessed value:

2 (1) is correct; and

3 (2) is less than the assessed value identified in the taxpayer's  
4 return as the assessed value of all the taxpayer's distributable  
5 property as of the assessment date;

6 the taxpayer is entitled to a credit under this SECTION.

7 (i) Before July 1, 2006, the department shall determine the  
8 amount of the credit to which a taxpayer is entitled under this  
9 SECTION and notify the county auditor of that amount. For  
10 purposes of this subsection, the department shall assume that the  
11 taxpayer will pay the full amount of the taxpayer's installment or  
12 installments of property taxes first due and payable after June 30,  
13 2006, and before January 1, 2007.

14 (j) The amount of the credit under this SECTION:

15 (1) is the remainder of:

16 (A) the amount of property taxes the taxpayer pays with  
17 respect to its distributable property for taxes first due and  
18 payable in 2006; minus

19 (B) the amount of property taxes for which the taxpayer  
20 would have been liable with respect to its distributable  
21 property for taxes first due and payable in 2006 if those  
22 property taxes had been based on the assessed value  
23 identified on line 47 of the taxpayer's amended return  
24 instead of the assessed value identified in the taxpayer's  
25 return; and

26 (2) applies proportionately to the taxpayer's installments of  
27 property taxes first due and payable in 2007.

28 (k) Interest does not apply in the determination of the amount  
29 of the credit under this SECTION.

30 (l) The county auditor shall adjust the assessed value used in  
31 setting property tax rates for each political subdivision in the  
32 county for property taxes first due and payable in 2007 to eliminate  
33 levy reductions that would otherwise result from the application of  
34 credits under this SECTION.

35 (m) In setting property tax rates for property taxes first due and  
36 payable in 2007 for each political subdivision in the county, the  
37 department shall:

38 (1) use the assessed value as adjusted by the county auditor  
39 under subsection (l); or

40 (2) further adjust the assessed value for the following  
41 purposes:

42 (A) To ensure the elimination of levy reductions that would

C  
o  
p  
y



1 otherwise result from the application of credits under this  
2 SECTION.

3 (B) To account for a failure of the taxpayer to pay  
4 property taxes in the amount assumed under subsection (i).

5 SECTION 69. [EFFECTIVE MAY 10, 2005 (RETROACTIVE)] An  
6 organization located in a county containing a consolidated city that  
7 filed a tax exemption application in 2004 but failed to attend the  
8 exemption hearing held by the county property tax assessment  
9 board of appeals is entitled to the same percentage of exemption on  
10 the organization's property as the organization was granted by the  
11 county property tax assessment board of appeals for a tax  
12 exemption application filed in 2005.

13 SECTION 70. [EFFECTIVE UPON PASSAGE] (a) The definitions  
14 in IC 6-1.1-12.1 apply throughout this SECTION.

15 (b) As used in this SECTION, "department" refers to the  
16 department of local government finance.

17 (c) As used in this SECTION, "taxpayer" means a person:

- 18 (1) who operates a grey iron foundry located in Grant  
19 County;
- 20 (2) who applied in 2001 for property tax deductions under  
21 IC 6-1.1-12.1 for new manufacturing equipment located in an  
22 economic revitalization area; and
- 23 (3) whose applications described in subdivision (2) were  
24 denied.

25 (d) References to the Indiana Code in this SECTION refer to the  
26 Indiana Code in effect on March 1, 2001, unless otherwise stated.

27 (e) Notwithstanding any other law, a taxpayer who complies  
28 with the requirements of this SECTION is entitled to the property  
29 tax deduction for new manufacturing equipment in the amounts  
30 and for the number of years provided under IC 6-1.1-12.1-4.5, as  
31 determined by the department under subsection (h).

32 (f) The taxpayer shall provide the department with copies of the  
33 taxpayer's:

- 34 (1) statement of benefits; and
- 35 (2) applications for deductions from assessed value;

36 for new manufacturing equipment placed in service in an economic  
37 revitalization area that the taxpayer filed in 2001.

38 (g) If there are any deficiencies in the taxpayer's filings  
39 described in subsection (f), the department of local government  
40 finance shall assist the taxpayer in completing the information  
41 necessary to determine:

- 42 (1) the assessed value of the new manufacturing equipment;

C  
o  
p  
y



1 and

2 (2) the number of years over which the taxpayer is entitled to  
3 the deduction under this SECTION.

4 (h) The department shall determine:

5 (1) the amount of the assessed value of the new manufacturing  
6 equipment;

7 (2) the number of years over which the taxpayer is entitled to  
8 the deduction under this SECTION; and

9 (3) the percentages used to compute the taxpayer's  
10 deductions;

11 in accordance with IC 6-1.1-12.1-4.5(d) and IC 6-1.1-12.1-4.5(e) as  
12 if the taxpayer's applications for deductions had been approved in  
13 2001.

14 (i) Notwithstanding IC 6-1.1-26 (as in effect on January 1, 2006),  
15 when the department has completed the department's  
16 determinations under subsection (h), the department shall issue an  
17 order to the county auditor of the county in which the economic  
18 revitalization area is located:

19 (1) describing the department's determinations under  
20 subsection (h); and

21 (2) requiring the county auditor to accept the taxpayer's  
22 refund claims as if the taxpayer's deduction applications had  
23 been approved in 2001.

24 The department shall provide the taxpayer with a copy of the order  
25 issued under this subsection.

26 (j) Notwithstanding IC 6-1.1-26 (as in effect January 1, 2006),  
27 the taxpayer may file refund claims for property taxes paid in  
28 previous years that are affected by the department's order issued  
29 under subsection (i). The taxpayer must attach a copy of the order  
30 issued under subsection (i) to the taxpayer's refund claim.

31 (k) Notwithstanding IC 6-1.1-26 (as in effect January 1, 2006),  
32 the county auditor shall pay the refund claims of the taxpayer filed  
33 under subsection (j) if the refund claims are fully consistent with  
34 the department's order issued under subsection (i).

35 SECTION 71. [EFFECTIVE JANUARY 1, 2007] IC 6-1.1-12.5, as  
36 added by this act, applies only to property taxes first due and  
37 payable after December 31, 2007.

38 SECTION 72. [EFFECTIVE UPON PASSAGE] (a) IC 6-1.1-20.9-1  
39 and IC 6-1.1-20.9-2, both as amended by this act, apply to property  
40 taxes first due and payable after December 31, 2006.

41 (b) The department of local government finance may adopt  
42 temporary rules in the manner provided for the adoption of

C  
o  
p  
y



1 emergency rules under IC 4-22-2-37.1 to implement this act. A  
 2 temporary rule adopted under this subsection expires on the  
 3 earliest of the following:  
 4 (1) The date that the department of local government finance  
 5 adopts another temporary rule under this subsection that  
 6 repeals, amends, or supersedes the previously adopted  
 7 temporary rule.  
 8 (2) The date that the department of local government finance  
 9 adopts a permanent rule under IC 4-22-2 that repeals,  
 10 amends, or supersedes the previously adopted temporary rule.  
 11 (3) The date specified in the temporary rule.  
 12 (4) December 31, 2008.  
 13 SECTION 73. An emergency is declared for this act.

**C  
o  
p  
y**



SENATE MOTION

Madam President: I move that Senator Simpson be added as second author of Senate Bill 260.

KENLEY

COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill No. 260, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 6-1.1-4-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]:

Sec. 12. (a) As used in this section, "land developer" means a person that holds land for sale in the ordinary course of the person's trade or business.

(b) As used in this section, "land in inventory" means:

(1) a lot; or

(2) a tract that has not been subdivided into lots;

to which a land developer holds title in the ordinary course of the land developer's trade or business.

(c) As used in this section, "title" refers to legal or equitable title, including the interest of a contract purchaser.

(d) Except as provided in subsections (h) and (i), if:

(1) land assessed on an acreage basis is subdivided into lots; ~~the land shall be reassessed on the basis of lots. If or~~

(2) land is rezoned for, or put to, a different use;

the land shall be reassessed on the basis of its new classification.

(e) If improvements are added to real property, the improvements shall be assessed.

(f) An assessment or reassessment made under this section is effective on the next assessment date. ~~However, if land assessed on an acreage basis is subdivided into lots, the lots may not be reassessed until the next assessment date following a transaction which results in a change in legal or equitable title to that lot.~~

(g) No petition to the department of local government finance is necessary with respect to an assessment or reassessment made under this section.

ES 260—LS 6865/DI 52+



C  
o  
p  
y

**(h) Subject to subsection (i), land in inventory may not be reassessed until the next assessment date following the earlier of:**

**(1) the date title to the land is transferred by:**

**(A) the land developer; or**

**(B) a successor land developer that acquires title to the land;**

**to a person that is not a land developer; or**

**(2) the date on which construction of a structure begins on the land.**

**(i) Subsection (h) applies regardless of whether the land in inventory is rezoned while a land developer holds title to the land.**

SECTION 2. IC 6-1.1-5.5-5, AS AMENDED BY P.L.228-2005, SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. **(a)** The department of local government finance shall prescribe a sales disclosure form for use under this chapter. The form prescribed by the department of local government finance must include at least the following information:

- (1) The key number of the parcel (as defined in IC 6-1.1-1-8.5).
- (2) Whether the entire parcel is being conveyed.
- (3) The address of the property.
- (4) The date of the execution of the form.
- (5) The date the property was transferred.
- (6) Whether the transfer includes an interest in land or improvements, or both.
- (7) Whether the transfer includes personal property.
- (8) An estimate of any personal property included in the transfer.
- (9) The name, address, and telephone number of:
  - (A) each transferor and transferee; and
  - (B) the person that prepared the form.
- (10) The mailing address to which the property tax bills or other official correspondence should be sent.
- (11) The ownership interest transferred.
- (12) The classification of the property (as residential, commercial, industrial, agricultural, vacant land, or other).
- (13) The total price actually paid or required to be paid in exchange for the conveyance, whether in terms of money, property, a service, an agreement, or other consideration, but excluding tax payments and payments for legal and other services that are incidental to the conveyance.
- (14) The terms of seller provided financing, such as interest rate, points, type of loan, amount of loan, and amortization period, and whether the borrower is personally liable for repayment of the

**C  
o  
p  
y**



loan.

(15) Any family or business relationship existing between the transferor and the transferee.

(16) Other information as required by the department of local government finance to carry out this chapter.

If a form under this section includes the telephone number or the Social Security number of a party, the telephone number or the Social Security number is confidential.

**(b) The instructions for completing the form described in subsection (a) must include the information described in IC 6-1.1-12-43(c)(1).**

SECTION 3. IC 6-1.1-5.5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) The county auditor may not accept a conveyance document if:

(1) the sales disclosure form signed by all the parties and attested as required under section 9 of this chapter is not included with the document; or

(2) the sales disclosure form does not contain the information described in ~~section 5~~ **section 5(a)** of this chapter.

(b) The county recorder shall not record a conveyance document without evidence that the parties have filed a completed sales disclosure form with the county auditor."

Page 9, between lines 29 and 30, begin a new paragraph and insert:

"SECTION 15. IC 6-1.1-12.1-4.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 4.5. (a) For purposes of this section, "personal property" means personal property other than inventory (as defined in IC 6-1.1-3-11(a)).

(b) An applicant must provide a statement of benefits to the designating body. The applicant must provide the completed statement of benefits form to the designating body before the hearing specified in section 2.5(c) of this chapter or before the installation of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment for which the person desires to claim a deduction under this chapter. The department of local government finance shall prescribe a form for the statement of benefits. The statement of benefits must include the following information:

(1) A description of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment that the person proposes to acquire.

(2) With respect to:

C  
o  
p  
y



- (A) new manufacturing equipment not used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products; and
- (B) new research and development equipment, new logistical distribution equipment, or new information technology equipment;

an estimate of the number of individuals who will be employed or whose employment will be retained by the person as a result of the installation of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment and an estimate of the annual salaries of these individuals.

(3) An estimate of the cost of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment.

(4) With respect to new manufacturing equipment used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products, an estimate of the amount of solid waste or hazardous waste that will be converted into energy or other useful products by the new manufacturing equipment.

The statement of benefits may be incorporated in a designation application. Notwithstanding any other law, a statement of benefits is a public record that may be inspected and copied under IC 5-14-3-3.

(c) The designating body must review the statement of benefits required under subsection (b). The designating body shall determine whether an area should be designated an economic revitalization area or whether the deduction shall be allowed, based on (and after it has made) the following findings:

(1) Whether the estimate of the cost of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment is reasonable for equipment of that type.

(2) With respect to:

- (A) new manufacturing equipment not used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products; and
- (B) new research and development equipment, new logistical distribution equipment, or new information technology equipment;

whether the estimate of the number of individuals who will be

**C**  
**O**  
**P**  
**Y**



employed or whose employment will be retained can be reasonably expected to result from the installation of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment.

(3) Whether the estimate of the annual salaries of those individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed installation of new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment.

(4) With respect to new manufacturing equipment used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products, whether the estimate of the amount of solid waste or hazardous waste that will be converted into energy or other useful products can be reasonably expected to result from the installation of the new manufacturing equipment.

(5) Whether any other benefits about which information was requested are benefits that can be reasonably expected to result from the proposed installation of new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment.

(6) Whether the totality of benefits is sufficient to justify the deduction.

The designating body may not designate an area an economic revitalization area or approve the deduction unless it makes the findings required by this subsection in the affirmative.

(d) Except as provided in subsection (h), **and subject to subsection (i)**, an owner of new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment whose statement of benefits is approved after June 30, 2000, is entitled to a deduction from the assessed value of that equipment for the number of years determined by the designating body under subsection (g). Except as provided in subsection (f) and in section 2(i)(3) of this chapter, **and subject to subsection (i)**, the amount of the deduction that an owner is entitled to for a particular year equals the product of:

(1) the assessed value of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment in the year

C  
O  
P  
Y



of deduction under the appropriate table set forth in subsection (e); multiplied by

(2) the percentage prescribed in the appropriate table set forth in subsection (e).

(e) The percentage to be used in calculating the deduction under subsection (d) is as follows:

(1) For deductions allowed over a one (1) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd and thereafter	0%

(2) For deductions allowed over a two (2) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	50%
3rd and thereafter	0%

(3) For deductions allowed over a three (3) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	66%
3rd	33%
4th and thereafter	0%

(4) For deductions allowed over a four (4) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	75%
3rd	50%
4th	25%
5th and thereafter	0%

(5) For deductions allowed over a five (5) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	80%
3rd	60%
4th	40%
5th	20%
6th and thereafter	0%

(6) For deductions allowed over a six (6) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	85%
3rd	66%
4th	50%

**c  
o  
p  
y**



5th	34%
6th	25%
7th and thereafter	0%

(7) For deductions allowed over a seven (7) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	85%
3rd	71%
4th	57%
5th	43%
6th	29%
7th	14%
8th and thereafter	0%

(8) For deductions allowed over an eight (8) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	88%
3rd	75%
4th	63%
5th	50%
6th	38%
7th	25%
8th	13%
9th and thereafter	0%

(9) For deductions allowed over a nine (9) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	88%
3rd	77%
4th	66%
5th	55%
6th	44%
7th	33%
8th	22%
9th	11%
10th and thereafter	0%

(10) For deductions allowed over a ten (10) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	90%
3rd	80%
4th	70%

**C  
o  
p  
y**



5th	60%
6th	50%
7th	40%
8th	30%
9th	20%
10th	10%
11th and thereafter	0%

(f) With respect to new manufacturing equipment and new research and development equipment installed before March 2, 2001, the deduction under this section is the amount that causes the net assessed value of the property after the application of the deduction under this section to equal the net assessed value after the application of the deduction under this section that results from computing:

- (1) the deduction under this section as in effect on March 1, 2001; and
- (2) the assessed value of the property under 50 IAC 4.2, as in effect on March 1, 2001, or, in the case of property subject to IC 6-1.1-8, 50 IAC 5.1, as in effect on March 1, 2001.

(g) For an economic revitalization area designated before July 1, 2000, the designating body shall determine whether a property owner whose statement of benefits is approved after April 30, 1991, is entitled to a deduction for five (5) or ten (10) years. For an economic revitalization area designated after June 30, 2000, the designating body shall determine the number of years the deduction is allowed. However, the deduction may not be allowed for more than ten (10) years. This determination shall be made:

- (1) as part of the resolution adopted under section 2.5 of this chapter; or
- (2) by resolution adopted within sixty (60) days after receiving a copy of a property owner's certified deduction application from the county auditor. A certified copy of the resolution shall be sent to the county auditor.

A determination about the number of years the deduction is allowed that is made under subdivision (1) is final and may not be changed by following the procedure under subdivision (2).

(h) The owner of new manufacturing equipment that is directly used to dispose of hazardous waste is not entitled to the deduction provided by this section for a particular assessment year if during that assessment year the owner:

- (1) is convicted of a violation under IC 13-7-13-3 (repealed), IC 13-7-13-4 (repealed), or IC 13-30-6; or
- (2) is subject to an order or a consent decree with respect to

**C**  
**O**  
**P**  
**Y**



property located in Indiana based on a violation of a federal or state rule, regulation, or statute governing the treatment, storage, or disposal of hazardous wastes that had a major or moderate potential for harm.

**(i) For purposes of subsection (d), the assessed value of new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment that is part of an owner's assessable depreciable personal property in a single taxing district subject to the valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9 is the product of:**

**(1) the assessed value of the equipment determined without regard to the valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9; multiplied by**

**(2) the quotient of:**

**(A) the amount of the valuation limitation determined under 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9 for all of the owner's depreciable personal property in the taxing district; divided by**

**(B) the total true tax value of all of the owner's depreciable personal property in the taxing district that is subject to the valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9 determined:**

**(i) under the depreciation schedules in the rules of the department of local government finance before any adjustment for abnormal obsolescence; and**

**(ii) without regard to the valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9."**

Page 10, between lines 13 and 14, begin a new paragraph and insert: "SECTION 17. IC 6-1.1-15-4, AS AMENDED BY P.L.199-2005, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) After receiving a petition for review which is filed under section 3 of this chapter, the Indiana board shall conduct a hearing at its earliest opportunity. The Indiana board may:

**(1) assign:**

**(A) full;**

**(B) limited; or**

**(C) no;**

**evidentiary value to the assessed valuation of tangible property determined by stipulation submitted as evidence of a comparable sale; and**

**(2) correct any errors that may have been made, and adjust the**

**C  
O  
P  
Y**



assessment in accordance with the correction.

(b) If the Indiana board conducts a site inspection of the property as part of its review of the petition, the Indiana board shall give notice to all parties of the date and time of the site inspection. The Indiana board is not required to assess the property in question. The Indiana board shall give notice of the date fixed for the hearing, by mail, to the taxpayer and to the appropriate township assessor, county assessor, and county auditor. With respect to an appeal of the assessment of real property or personal property filed after June 30, 2005, the notice must include the following:

- (1) The action of the county property tax assessment board of appeals with respect to the appealed items.
- (2) A statement that a taxing unit receiving the notice from the county auditor under subsection (c) may:
  - (A) attend the hearing; and
  - (B) offer testimony.

~~A taxing unit that receives a notice from the county auditor under subsection (c) is not a party to the appeal.~~ The Indiana board shall give these notices at least thirty (30) days before the day fixed for the hearing. The property tax assessment board of appeals that made the determination under appeal under this section may, with the approval of the county executive, file an amicus curiae brief in the review proceeding under this section. The expenses incurred by the property tax assessment board of appeals in filing the amicus curiae brief shall be paid from the property reassessment fund under IC 6-1.1-4-27.5. The executive of a taxing unit may file an amicus curiae brief in the review proceeding under this section if the property whose assessment is under appeal is subject to assessment by that taxing unit.

(c) If, after receiving notice of a hearing under subsection (b), the county auditor determines that the assessed value of the appealed items constitutes at least one percent (1%) of the total gross certified assessed value of a particular taxing unit for the assessment date immediately preceding the assessment date for which the appeal was filed, the county auditor shall send a copy of the notice to the affected taxing unit. **A taxing unit that receives a notice from the county auditor under this subsection is not a party to the appeal.** Failure of the county auditor to send a copy of the notice to the affected taxing unit does not affect the validity of the appeal or delay the appeal.

(d) If a petition for review does not comply with the Indiana board's instructions for completing the form prescribed under section 3 of this chapter, the Indiana board shall return the petition to the petitioner and include a notice describing the defect in the petition. The petitioner

C  
o  
p  
y



then has thirty (30) days from the date on the notice to cure the defect and file a corrected petition. The Indiana board shall deny a corrected petition for review if it does not substantially comply with the Indiana board's instructions for completing the form prescribed under section 3 of this chapter.

(e) The Indiana board shall prescribe a form for use in processing petitions for review of actions by the county property tax assessment board of appeals. The Indiana board shall issue instructions for completion of the form. The form must require the Indiana board to indicate agreement or disagreement with each item that is:

- (1) if the county or township official held a preliminary conference under section 1(f) of this chapter, indicated on the petition submitted under that section by the taxpayer and the official; and
- (2) included in the county property tax assessment board of appeals' findings, record, and determination under section 2.1(d) of this chapter.

The form must also require the Indiana board to indicate the issues in dispute and its reasons in support of its resolution of those issues.

(f) After the hearing the Indiana board shall give the petitioner, the township assessor, the county assessor, **and** the county auditor: ~~and the affected taxing units required to be notified under subsection (c):~~

- (1) notice, by mail, of its final determination;
- (2) a copy of the form completed under subsection (e); and
- (3) notice of the procedures they must follow in order to obtain court review under section 5 of this chapter.

**The county auditor shall provide copies of the documents described in subdivisions (1) through (3) to the taxing units entitled to notice under subsection (c).**

(g) Except as provided in subsection (h), the Indiana board shall conduct a hearing not later than nine (9) months after a petition in proper form is filed with the Indiana board, excluding any time due to a delay reasonably caused by the petitioner.

(h) With respect to an appeal of a real property assessment that takes effect on the assessment date on which a general reassessment of real property takes effect under IC 6-1.1-4-4, the Indiana board shall conduct a hearing not later than one (1) year after a petition in proper form is filed with the Indiana board, excluding any time due to a delay reasonably caused by the petitioner.

(i) Except as provided in subsection (j), the Indiana board shall make a determination not later than the later of:

- (1) ninety (90) days after the hearing; or
- (2) the date set in an extension order issued by the Indiana board.

C  
o  
p  
y



(j) With respect to an appeal of a real property assessment that takes effect on the assessment date on which a general reassessment of real property takes effect under IC 6-1.1-4-4, the Indiana board shall make a determination not later than the later of:

- (1) one hundred eighty (180) days after the hearing; or
- (2) the date set in an extension order issued by the Indiana board.

(k) ~~Except as provided in subsection (p),~~ The Indiana board may not extend the final determination date under subsection (i) or (j) by more than one hundred eighty (180) days. If the Indiana board fails to make a final determination within the time allowed by this ~~subsection,~~ **section after a hearing,** the entity that initiated the petition may:

- (1) take no action and wait for the Indiana board to make a final determination; or
- (2) petition for judicial review under section 5(g) of this chapter.

(l) A final determination must include separately stated findings of fact for all aspects of the determination. Findings of ultimate fact must be accompanied by a concise statement of the underlying basic facts of record to support the findings. Findings must be based exclusively upon the evidence on the record in the proceeding and on matters officially noticed in the proceeding. Findings must be based upon a preponderance of the evidence.

(m) The Indiana board may limit the scope of the appeal to the issues raised in the petition and the evaluation of the evidence presented to the county property tax assessment board of appeals in support of those issues only if all persons participating in the hearing required under subsection (a) agree to the limitation. A person participating in the hearing required under subsection (a) is entitled to introduce evidence that is otherwise proper and admissible without regard to whether that evidence has previously been introduced at a hearing before the county property tax assessment board of appeals.

(n) The Indiana board:

- (1) may require the parties to the appeal to file not more than five (5) business days before the date of the hearing required under subsection (a) documentary evidence or summaries of statements of testimonial evidence; and
- (2) may require the parties to the appeal to file not more than fifteen (15) business days before the date of the hearing required under subsection (a) lists of witnesses and exhibits to be introduced at the hearing.

(o) A party to a proceeding before the Indiana board shall provide to another party to the proceeding the information described in subsection (n) if the other party requests the information in writing at least ten (10)

C  
o  
p  
y



days before the deadline for filing of the information under subsection (n).

(p) The county assessor may:

- (1) appear as an additional party if the notice of appearance is filed before the review proceeding; or
- (2) with the approval of the township assessor, represent the township assessor;

in a review proceeding under this section.

(q) The Indiana board may base its final determination on a stipulation between the respondent and the petitioner. If the final determination is based on a stipulated assessed valuation of tangible property, the Indiana board may order the placement of a notation on the permanent assessment record of the tangible property that the assessed valuation was determined by stipulation. The Indiana board may:

- (1) order that a final determination under this subsection has no precedential value; or
- (2) specify a limited precedential value of a final determination under this subsection."

Page 11, line 27, after "." insert **"If the county auditor makes the amendment as a result of information provided to the county auditor by an assessor, the county auditor shall give notice of the public hearing to the assessor."**

Page 11, line 31, delete "if the amendment under subsection (d) is" and insert **"if:"**.

Page 11, delete line 32.

Page 11, line 33, after "(1)" insert **"the amendment under subsection (d) is proposed to"**.

Page 11, line 35, delete "or".

Page 11, line 36, after "(2)" insert **"the amendment under subsection (d) is proposed to"**.

Page 11, line 39, delete "." and insert **"; or**

**(3) the county auditor determines that the amendment under subsection (d) will not result in an increase in the tax rate or tax rates of the political subdivision."**

Page 11, between lines 39 and 40, begin a new paragraph and insert: **"SECTION 21. IC 6-1.1-17-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) The officers of political subdivisions shall meet each year to fix the budget, tax rate, and tax levy of their respective subdivisions for the ensuing budget year as follows:**

- (1) The fiscal body of a consolidated city and county, not later than

C  
o  
p  
y



the last meeting of the fiscal body in September.

(2) The fiscal body of a second class city, not later than September 30.

(3) The board of school trustees of a school corporation that is located in a city having a population of more than one hundred five thousand (105,000) but less than one hundred twenty thousand (120,000), not later than:

(A) the time required in section 5.6(b) of this chapter; or

(B) September 20 if a resolution adopted under section 5.6(d) of this chapter is in effect.

(4) The proper officers of all other political subdivisions, not later than September 20.

Except in a consolidated city and county and in a second class city, the public hearing required by section 3 of this chapter must be completed at least ten (10) days before the proper officers of the political subdivision meet to fix the budget, tax rate, and tax levy. In a consolidated city and county and in a second class city, that public hearing, by any committee or by the entire fiscal body, may be held at any time after introduction of the budget.

(b) Ten (10) or more taxpayers may object to a budget, tax rate, or tax levy of a political subdivision fixed under subsection (a) by filing an objection petition with the proper officers of the political subdivision not more than seven (7) days after the hearing. The objection petition must specifically identify the provisions of the budget, tax rate, and tax levy to which the taxpayers object.

(c) If a petition is filed under subsection (b), the fiscal body of the political subdivision shall adopt with its budget a finding concerning the objections in the petition and any testimony presented at the adoption hearing.

(d) This subsection does not apply to a school corporation. Each year at least two (2) days before the first meeting of the county board of tax adjustment held under IC 6-1.1-29-4, a political subdivision shall file with the county auditor:

(1) a statement of the tax rate and levy fixed by the political subdivision for the ensuing budget year;

**(2) a statement that specifies the amount and revenue sources used to temporarily decrease the tax rate and levy fixed by the political subdivision for the ensuing budget year, in the form prescribed by the department of local government finance;**

~~(2)~~ (3) two (2) copies of the budget adopted by the political subdivision for the ensuing budget year; and

~~(3)~~ (4) two (2) copies of any findings adopted under subsection (c).

C  
o  
p  
y



Each year the county auditor shall present these items to the county board of tax adjustment at the board's first meeting.

(e) In a consolidated city and county and in a second class city, the clerk of the fiscal body shall, notwithstanding subsection (d), file the adopted budget and tax ordinances with the county board of tax adjustment within two (2) days after the ordinances are signed by the executive, or within two (2) days after action is taken by the fiscal body to override a veto of the ordinances, whichever is later.

(f) If a fiscal body does not fix the budget, tax rate, and tax levy of the political subdivisions for the ensuing budget year as required under this section, the most recent annual appropriations and annual tax levy are continued for the ensuing budget year.

SECTION 22. IC 6-1.1-17-15.2 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 15.2 (a) This section does not apply to a school corporation.**

**(b) When the county auditor certifies the levy, tax rate, and budget of a political subdivision to the department of local government finance for review, the county auditor shall forward with the political subdivision's levy, tax rate, and budget the political subdivision's statement that specifies the amount and revenue sources used to temporarily decrease the tax rate and levy fixed by the political subdivision for the ensuing budget year, in the form prescribed by the department of local government finance."**

Page 14, between lines 39 and 40, begin a new paragraph and insert: **"Levy excess" has the meaning set forth in section 17 of this chapter."**

Page 15, between lines 13 and 14, begin a new paragraph and insert: **"Temporary adjustment" refers to an adjustment in the part of a civil taxing unit's ad valorem property tax levy subject to the ad valorem property tax limits under section 3 of this chapter that results from the inclusion of any of the following in the civil taxing unit's levy or budget:**

- (1) A levy excess.**
- (2) Surplus operating cash balances.**
- (3) Revenue received by the civil taxing unit under IC 6-3.5-1.1, IC 6-3.5-6, or IC 6-3.5-7.**
- (4) Any other levy adjustment determined by the department of local government finance to be extraordinary."**

Page 15, between lines 19 and 20, begin a new paragraph and insert: **"SECTION 25. IC 6-1.1-18.5-13.7 IS ADDED TO TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS**

**C  
o  
p  
y**



[EFFECTIVE UPON PASSAGE]: **Sec. 13.7. (a) With respect to an appeal filed under section 12 of this chapter, the local government tax control board may recommend that the department of local government finance give permission to a civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the civil taxing unit meets the following criteria:**

**(1) The civil taxing unit's per capita ad valorem tax levy for the calendar year immediately preceding the ensuing calendar year is below the statewide average for similar civil taxing units in Indiana for the same year.**

**(2) Subject to subsection (b), the civil taxing unit's rate of population increase during the calendar year that immediately precedes the calendar year described in subdivision (1) is greater than the statewide rate of population increase during the same calendar year.**

**(b) For purposes of:**

**(1) determining a civil taxing unit's population during the year described in subsection (a)(2); and**

**(2) comparing that population to the population of the civil taxing unit during the calendar year immediately preceding that year, in order to compute a rate of population increase under subsection (a)(2);**

**the department of local government finance shall reduce the civil taxing unit's population by the amount of any population increase that is attributable to an annexation or other expansion of the civil taxing unit's territory that takes effect during the year described in subsection (a)(2).**

**(c) Notwithstanding IC 1-1-3.5, if the department of local government finance determines that information available from the Bureau of the Census is not sufficient for the purposes of making accurate determinations of population under this section, the civil taxing unit shall submit the information that the department considers necessary to make a determination under this subdivision."**

Page 17, between lines 21 and 22, begin a new paragraph and insert:  
**"SECTION 28. IC 6-1.1-22-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) The county treasurer shall either:**

**(1) mail to the last known address of each person liable for any property taxes or special assessment, as shown on the tax duplicate or special assessment records, or to the last known address of the**

**C  
o  
p  
y**



most recent owner shown in the transfer book a statement of current and delinquent taxes and special assessments; or

(2) transmit by written, electronic, or other means to a mortgagee maintaining an escrow account for a person who is liable for any property taxes or special assessments, as shown on the tax duplicate or special assessment records a statement of current and delinquent taxes and special assessments.

(b) The county treasurer may include the following in the statement:

(1) An itemized listing for each property tax levy, including:

(A) the amount of the tax rate;

(B) the entity levying the tax owed; and

(C) the dollar amount of the tax owed.

(2) Information designed to inform the taxpayer or mortgagee clearly and accurately of the manner in which the taxes billed in the tax statement are to be used.

A form used and the method by which the statement and information, if any, are transmitted must be approved by the state board of accounts. The county treasurer may mail or transmit the statement and information, if any, one (1) time each year at least fifteen (15) days before the date on which the first or only installment is due. Whenever a person's tax liability for a year is due in one (1) installment under IC 6-1.1-7-7 or section 9 of this chapter, a statement that is mailed must include the date on which the installment is due and denote the amount of money to be paid for the installment. Whenever a person's tax liability is due in two (2) installments, a statement that is mailed must contain the dates on which the first and second installments are due and denote the amount of money to be paid for each installment.

(c) All payments of property taxes and special assessments shall be made to the county treasurer. The county treasurer, when authorized by the board of county commissioners, may open temporary offices for the collection of taxes in cities and towns in the county other than the county seat.

(d) Before July 1, 2004, the department of local government finance shall designate five (5) counties to participate in a pilot program to implement the requirements of subsection (e). The department shall immediately notify the county treasurer, county auditor, and county assessor in writing of the designation under this subsection. The legislative body of a county not designated for participation in the pilot program may adopt an ordinance to implement the requirements of subsection (e). The legislative body shall submit a copy of the ordinance to the department of local government finance, which shall monitor the county's implementation of the requirements of subsection

**C  
O  
P  
Y**



(e) as if the county were a participant in the pilot program. The requirements of subsection (e) apply:

(1) only in:

(A) a county designated to participate in a pilot program under this subsection, for property taxes first due and payable after December 31, 2004, and before January 1, 2008; or

(B) a county adopting an ordinance under this subsection, for property taxes first due and payable after December 31, 2003, or December 31, 2004 (as determined in the ordinance), and before January 1, 2008; and

(2) in all counties for taxes first due and payable after December 31, 2007.

(e) Subject to subsection (d), regardless of whether a county treasurer transmits a statement of current and delinquent taxes and special assessments to a person liable for the taxes under subsection (a)(1) or to a mortgagee under subsection (a)(2), the county treasurer shall mail the following information to the last known address of each person liable for the property taxes or special assessments or to the last known address of the most recent owner shown in the transfer book. The county treasurer shall mail the information not later than the date the county treasurer transmits a statement for the property under subsection (a)(1) or (a)(2). The county treasurer, county auditor, and county assessor shall cooperate to generate the information to be included on the form. The information that must be provided is the following:

(1) A breakdown showing the total property tax and special assessment liability and the amount of the taxpayer's liability that will be distributed to each taxing unit in the county.

(2) A comparison showing any change in the assessed valuation for the property as compared to the previous year.

(3) A comparison showing any change in the property tax and special assessment liability for the property as compared to the previous year. The information required under this subdivision must identify:

(A) the amount of the taxpayer's liability distributable to each taxing unit in which the property is located in the current year and in the previous year; and

(B) the ~~percentage~~ change, if any, in the amount of the taxpayer's liability distributable to each taxing unit in which the property is located from the previous year to the current year.

(4) An explanation of the following:

(A) The homestead credit and all property tax deductions.

(B) The procedure and deadline for filing for the homestead

C  
o  
p  
y



credit and each deduction.

(C) The procedure that a taxpayer must follow to:

- (i) appeal a current assessment; or
- (ii) petition for the correction of an error related to the taxpayer's property tax and special assessment liability.

(D) The forms that must be filed for an appeal or a petition described in clause (C).

The department of local government finance shall provide the explanation required by this subdivision to each county treasurer.

(5) A checklist that shows:

- (A) the homestead credit and all property tax deductions; and
- (B) whether the homestead credit and each property tax deduction applies in the current statement for the property transmitted under subsection (a)(1) or (a)(2).

(f) The information required to be mailed under subsection (e) must be simply and clearly presented and understandable to the average individual.

(g) A county that incurs:

- (1) initial computer programming costs directly related to implementation of the requirements of subsection (e); or
- (2) printing costs directly related to mailing information under subsection (e);

shall submit an itemized statement of the costs to the department of local government finance for reimbursement from the state. The treasurer of state shall pay a claim approved by the department of local government finance and submitted under this section on a warrant of the auditor of state. However, the treasurer of state may not pay any additional claims under this subsection after the total amount of claims paid reaches fifty thousand dollars (\$50,000)."

Page 18, delete lines 39 through 42, begin a new paragraph and insert:

"SECTION 31. IC 6-1.1-36-1.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 1.5. (a) Subject to subsections (b) and (c), and except as provided in subsection (d), a document, including a form, a return, or a writing of any type, which must be filed by a due date under this article or IC 6-1.5, is considered to be filed by the due date if the document is:**

- (1) received on or before the due date by the appropriate recipient;**
- (2) deposited in United States first class mail:**
  - (A) properly addressed to the appropriate recipient;**

C  
o  
p  
y



- (B) with sufficient postage; and
- (C) postmarked by the United States Postal Service as mailed on or before the due date;
- (3) deposited with a nationally recognized express parcel carrier and is:
  - (A) properly addressed to the appropriate recipient; and
  - (B) verified by the express parcel carrier as:
    - (i) paid in full for final delivery; and
    - (ii) received by the express parcel carrier on or before the due date; or
  - (4) deposited to be mailed through United States registered mail, United States certified mail, or United States certificate of mailing:
    - (A) properly addressed to the appropriate recipient;
    - (B) with sufficient postage; and
    - (C) with a date of registration, certification, or certificate, as evidenced by any record authenticated by the United States Postal Service, on or before the due date.

For purposes of this subsection, "postmarked" does not mean the date printed by a postage meter that affixes postage to the envelope or package containing a payment.

(b) If a document is mailed through the United States mail and is physically received after the due date without a legible correct postmark, the person who mailed the document is considered to have filed the document on or before the due date if the person can show by reasonable evidence that the document was deposited in the United States mail on or before the due date.

(c) If a document is sent via the United States mail or a nationally recognized express parcel carrier but is not received by the designated recipient, the person who sent the document is considered to have filed the document on or before the due date if the person:

- (1) can show by reasonable evidence that the document was deposited in the United States mail, or with the express parcel carrier, on or before the due date; and
- (2) files a duplicate document within thirty (30) days after the date the person is notified that the document was not received.

(d) This section does not apply to a payment addressed in IC 6-1.1-37-10(f).

SECTION 32. IC 6-1.1-37-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 10. (a) Except as provided in section 10.5 of this chapter, if an installment of property

**C**  
**O**  
**P**  
**Y**



taxes is not completely paid on or before the due date, a penalty equal to ten percent (10%) of the amount of delinquent taxes shall be added to the unpaid portion in the year of the initial delinquency.

(b) With respect to property taxes due in two (2) equal installments under IC 6-1.1-22-9(a), on the day immediately following the due dates in May and November of each year following the year of the initial delinquency, an additional penalty equal to ten percent (10%) of any taxes remaining unpaid shall be added. With respect to property taxes due in installments under IC 6-1.1-22-9.5, an additional penalty equal to ten percent (10%) of any taxes remaining unpaid shall be added on the day immediately following each date that succeeds the last installment due date by:

- (1) six (6) months; or
- (2) a multiple of six (6) months.

(c) The penalties under subsection (b) are imposed only on the principal amount of the delinquent taxes.

(d) If the department of local government finance determines that an emergency has occurred which precludes the mailing of the tax statement in any county at the time set forth in IC 6-1.1-22-8, the department shall establish by order a new date on which the installment of taxes in that county is due and no installment is delinquent if paid by the date so established.

(e) If any due date falls on a Saturday, a Sunday, a national legal holiday recognized by the federal government, or a statewide holiday, the act that must be performed by that date is timely if performed by the next succeeding day that is not a Saturday, a Sunday, or one (1) of those holidays.

(f) **Subject to subsections (g) and (h)**, a payment to the county treasurer is considered to have been paid by the due date if the payment is:

- (1) received on or before the due date ~~to~~ **by** the county treasurer or a collecting agent appointed by the county treasurer;
- (2) deposited in ~~the~~ United States **first class** mail:
  - (A) properly addressed to the principal office of the county treasurer;
  - (B) with sufficient postage; and
  - (C) ~~certified or~~ postmarked by the United States Postal Service as mailed on or before the due date; ~~or~~
- (3) deposited with a nationally recognized express parcel carrier and is:
  - (A) properly addressed to the principal office of the county treasurer; and

C  
o  
p  
y



- (B) verified by the express parcel carrier as:
  - (i) paid in full for final delivery; and
  - (ii) received **by the express parcel carrier** on or before the due date;

**(4) deposited to be mailed through United States registered mail, United States certified mail, or United States certificate of mailing:**

- (A) properly addressed to the principal office of the county treasurer;**
- (B) with sufficient postage; and**
- (C) with a date of registration, certification, or certificate, as evidenced by any record authenticated by the United States Postal Service, on or before the due date; or**

**(5) made by an electronic fund transfer and the taxpayer's bank account is charged on or before the due date.**

For purposes of this subsection, "postmarked" does not mean the date printed by a postage meter that affixes postage to the envelope or package containing a payment.

**(g) If a payment is mailed through the United States mail and is physically received after the due date without a legible correct postmark, the person who mailed the payment is considered to have made the payment on or before the due date if the person can show by reasonable evidence that the payment was deposited in the United States mail on or before the due date.**

**(h) If a payment is sent via the United states mail or a nationally recognized express parcel carrier but is not received by the designated recipient, the person who sent the payment is considered to have made the payment on or before the due date if the person:**

- (1) can show by reasonable evidence that the payment was deposited in the United States mail, or with the express parcel carrier, on or before the due date; and**
- (2) makes a duplicate payment within thirty (30) days after the date the person is notified that the payment was not received.**

SECTION 33. IC 6-1.1-40-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 10. (a) **Subject to subsection (e)**, an owner of new manufacturing equipment or inventory, or both, whose statement of benefits is approved is entitled to a deduction from the assessed value of that equipment and inventory for a period of ten (10) years. Except as provided in subsections (c) and (d), **and subject to subsection (e)**, for the first five (5) years, the amount of the deduction for new manufacturing equipment that an

C  
O  
P  
Y



owner is entitled to for a particular year equals the assessed value of the new manufacturing equipment. **Subject to subsection (e)**, for the sixth through the tenth year, the amount of the deduction equals the product of:

- (1) the assessed value of the new manufacturing equipment; multiplied by
- (2) the percentage prescribed in the following table:

YEAR OF DEDUCTION	PERCENTAGE
6th	100%
7th	95%
8th	80%
9th	65%
10th	50%
11th and thereafter	0%

(b) For the first year the amount of the deduction for inventory equals the assessed value of the inventory. For the next nine (9) years, the amount of the deduction equals:

- (1) the assessed value of the inventory for that year; multiplied by
- (2) the owner's export sales ratio for the previous year, as certified by the department of state revenue under IC 6-3-2-13.

(c) A deduction under this section is not allowed in the first year the deduction is claimed for new manufacturing equipment to the extent that it would cause the assessed value of all of the personal property of the owner in the taxing district in which the equipment is located to be less than the assessed value of all of the personal property of the owner in that taxing district in the immediately preceding year.

(d) If a deduction is not fully allowed under subsection (c) in the first year the deduction is claimed, then the percentages specified in subsection (a) apply in the subsequent years to the amount of deduction that was allowed in the first year.

**(e) For purposes of subsection (a), the assessed value of new manufacturing equipment that is part of an owner's assessable depreciable personal property in a single taxing district subject to the valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9 is the product of:**

- (1) the assessed value of the equipment determined without regard to the valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9; multiplied by**
- (2) the quotient of:**
  - (A) the amount of the valuation limitation determined under 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9 for all of the owner's depreciable personal property in the taxing district; divided**

C  
O  
P  
Y



by

**(B) the total true tax value of all of the owner's depreciable personal property in the taxing district that is subject to the valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9 determined:**

- (i) under the depreciation schedules in the rules of the department of local government finance before any adjustment for abnormal obsolescence; and**
- (ii) without regard to the valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9.**

SECTION 34. IC 6-1.5-4-2 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 2. In order to obtain information that is necessary to the Indiana board's conduct of a necessary or proper inquiry, the Indiana board or a board administrative law judge may:**

- (1) subpoena and examine witnesses;**
- (2) administer oaths; and**
- (3) subpoena and examine books or papers that are in the hands of any person.**

SECTION 35. IC 6-1.5-5-2, AS AMENDED BY P.L.199-2005, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 2. (a) After receiving a petition for review that is filed under a statute listed in section 1(a) of this chapter, the Indiana board shall, at its earliest opportunity:**

- (1) conduct a hearing; or**
  - (2) cause a hearing to be conducted by an administrative law judge.**
- The Indiana board may determine to conduct the hearing under subdivision (1) on its own motion or on request of a party to the appeal.

**(b) In its resolution of a petition, the Indiana board may:**

- (1) assign:**
  - (A) full;**
  - (B) limited; or**
  - (C) no;**

evidentiary value to the assessed valuation of tangible property determined by stipulation submitted as evidence of a comparable sale; and

- (2) correct any errors that may have been made, and adjust the assessment in accordance with the correction.**

**(c) The Indiana board shall give notice of the date fixed for the hearing by mail to:**

- (1) the taxpayer;**

**C  
o  
p  
y**



(2) the department of local government finance; and

(3) the appropriate:

(A) township assessor;

(B) county assessor; and

(C) county auditor.

(d) With respect to an appeal of the assessment of real property or personal property filed after June 30, 2005, the notices required under subsection (c) must include the following:

(1) The action of the department of local government finance with respect to the appealed items.

(2) A statement that a taxing unit receiving the notice from the county auditor under subsection (e) may:

(A) attend the hearing;

(B) offer testimony; and

(C) file an amicus curiae brief in the proceeding.

~~A taxing unit that receives a notice from the county auditor under subsection (e) is not a party to the appeal.~~

(e) If, after receiving notice of a hearing under subsection (c), the county auditor determines that the assessed value of the appealed items constitutes at least one percent (1%) of the total gross certified assessed value of a particular taxing unit for the assessment date immediately preceding the assessment date for which the appeal was filed, the county auditor shall send a copy of the notice to the affected taxing unit. **A taxing unit that receives a notice from the county auditor under this subsection is not a party to the appeal.** Failure of the county auditor to send a copy of the notice to the affected taxing unit does not affect the validity of the appeal or delay the appeal.

(f) The Indiana board shall give the notices required under subsection (c) at least thirty (30) days before the day fixed for the hearing.

SECTION 36. IC 6-1.5-5-5, AS AMENDED BY P.L.199-2005, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. After the hearing, the Indiana board shall give the petitioner, the township assessor, the county assessor, the county auditor, ~~the affected taxing units required to be notified under section 2(e) of this chapter,~~ and the department of local government finance:

(1) notice, by mail, of its final determination, findings of fact, and conclusions of law; and

(2) notice of the procedures the petitioner or the department of local government finance must follow in order to obtain court review of the final determination of the Indiana board.

**The county auditor shall provide copies of the documents described**

C  
o  
p  
y



in subdivisions (1) and (2) to the taxing units entitled to notice under section 2(e) of this chapter.

SECTION 37. IC 6-1.5-5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 6. (a) The Indiana board shall conduct a hearing or cause a hearing to be conducted within six (6) months after a petition in proper form is filed with the Indiana board, excluding any time due to a delay reasonably caused by the petitioner.

(b) The Indiana board shall make a final determination within the later of forty-five (45) days after the hearing or the date set in an extension order issued by the Indiana board. However, the Indiana board may not extend the final determination date by more than one hundred eighty (180) days.

**(c) The failure of the Indiana board to conduct a hearing within the period prescribed in this section does not constitute notice to the person of an Indiana board final determination.**

~~(c) The failure of~~ **(d) If** the Indiana board **fails** to make a final determination within the time allowed by this section ~~shall be treated as a final determination of after a hearing, the entity that initiated the petition may:~~

**(1) take no action and wait for the Indiana board to deny the petition; make a final determination; or**

**(2) initiate a proceeding for judicial review by taking the action required by IC 6-1.1-15-5(b) at any time after the maximum time elapses.**

**(e) If:**

**(1) a judicial proceeding is initiated under subsection (d); and**

**(2) the Indiana board has not issued a determination;**

**the tax court shall determine the matter de novo."**

Page 19, delete lines 1 through 3.

Page 19, line 5, after "as" insert "**added or**".

Page 19, between lines 17 and 18, begin a new line block indented and insert:

**"(12) IC 6-1.1-12.1-4.5.**

**(13) IC 6-1.1-17-5.**

**(14) IC 6-1.1-17-15.2."**

Page 19, line 18, delete "(12)" and insert "**(15)**".

Page 19, between lines 18 and 19, begin a new line block indented and insert:

**"(16) IC 6-1.1-18.5-13.7."**

Page 19, line 19, delete "(13)" and insert "**(17)**".

Page 19, line 20, delete "(14)" and insert "**(18)**".

C  
O  
P  
Y



Page 19, between lines 20 and 21, begin a new line block indented and insert:

**"(19) IC 6-1.1-40-10.**

**SECTION 39. [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)] IC 6-1.1-4-12, as amended by this act, applies only to assessment dates after December 31, 2005.**

**SECTION 40. [EFFECTIVE UPON PASSAGE] (a) This SECTION applies notwithstanding IC 6-1.1-8 or 50 IAC 5.1.**

**(b) As used in this SECTION, "amended return" means a return:**

- (1) that was filed after July 31, 2005; and**
- (2) that the department accepts as a taxpayer's final amended return for the assessment date.**

**(c) As used in this SECTION, "assessment date" means the March 1, 2005, assessment date.**

**(d) As used in this SECTION, "department" refers to the department of local government finance.**

**(e) As used in this SECTION, "return" means the statement of value and description of property required under IC 6-1.1-8-19 that is filed on the Annual Report (U.D. Form 45), as prescribed by the department, and is filed with the department on or before July 31, 2005.**

**(f) As used in this SECTION, "taxpayer" means a taxpayer that meets the requirements of subsection (g).**

**(g) This SECTION applies to any taxpayer that:**

- (1) is a public utility that provides water utility services in Indiana and is subject to taxation under IC 6-1.1-8;**
- (2) is required to file a return under IC 6-1.1-8-19;**
- (3) filed a return with the department with respect to the assessment date; and**
- (4) filed an amended return with the department with respect to the assessment date.**

**(h) Before June 1, 2006, the department shall review the assessed value identified on line 47 of the taxpayer's amended return as the assessed value of all the taxpayer's distributable property as of the assessment date. If the department determines that this assessed value:**

- (1) is correct; and**
- (2) is less than the assessed value identified in the taxpayer's return as the assessed value of all the taxpayer's distributable property as of the assessment date;**

**the taxpayer is entitled to a credit under this SECTION.**

**(i) Before July 1, 2006, the department shall determine the**

**C  
o  
p  
y**



amount of the credit to which a taxpayer is entitled under this SECTION and notify the county auditor of that amount. For purposes of this subsection, the department shall assume that the taxpayer will pay the full amount of the taxpayer's installment or installments of property taxes first due and payable after June 30, 2006, and before January 1, 2007.

(j) The amount of the credit under this SECTION:

(1) is the remainder of:

(A) the amount of property taxes the taxpayer pays with respect to its distributable property for taxes first due and payable in 2006; minus

(B) the amount of property taxes for which the taxpayer would have been liable with respect to its distributable property for taxes first due and payable in 2006 if those property taxes had been based on the assessed value identified on line 47 of the taxpayer's amended return instead of the assessed value identified in the taxpayer's return; and

(2) applies proportionately to the taxpayer's installments of property taxes first due and payable in 2007.

(k) Interest does not apply in the determination of the amount of the credit under this SECTION.

(l) The county auditor shall adjust the assessed value used in setting property tax rates for each political subdivision in the county for property taxes first due and payable in 2007 to eliminate levy reductions that would otherwise result from the application of credits under this SECTION.

(m) In setting property tax rates for property taxes first due and payable in 2007 for each political subdivision in the county, the department shall:

(1) use the assessed value as adjusted by the county auditor under subsection (l); or

(2) further adjust the assessed value for the following purposes:

(A) To ensure the elimination of levy reductions that would otherwise result from the application of credits under this SECTION.

(B) To account for a failure of the taxpayer to pay property

C  
O  
P  
Y



**taxes in the amount assumed under subsection (i).".**

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 260 as introduced.)

KENLEY, Chairperson

Committee Vote: Yeas 11, Nays 0.

**C  
o  
p  
y**



## SENATE MOTION

Madam President: I move that Senate Bill 260 be amended to read as follows:

Page 38, between lines 7 and 8, begin a new paragraph and insert:

"SECTION 31. IC 6-1.1-36-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]:

Sec. 12. (a) **For purposes of this section**, a board of county commissioners, a county assessor, or an elected township assessor may enter into a ~~properly approved~~ contract for the discovery of property that has been undervalued or omitted from assessment. The contract must prohibit payment to the contractor for discovery of undervaluation or omission with respect to a parcel or personal property return before all appeals of the assessment of the parcel or the assessment under the return have been finalized. The contract may require the contractor to:

(1) examine and verify the accuracy of personal property returns filed by taxpayers with a township assessor of a township in the county; and

(2) compare a return with the books of the taxpayer and with personal property owned, held, possessed, controlled, or occupied by the taxpayer.

(b) The investigation and collection expenses of a contract under subsection (a) may be deducted from the gross amount of taxes collected on the undervalued or omitted property that is so discovered. **Subject to subsection (c)**, the remainder of the taxes collected on the undervalued or omitted property shall be distributed to the appropriate taxing units.

**(c) This subsection applies if funds are not budgeted for payment of services performed under a contract described in subsection (a). The county auditor may create a special nonreverting fund in which the county treasurer may deposit the net amount of taxes, including penalties and interest, that result from additional assessments on undervalued or omitted property collected from all taxing jurisdictions in the county. The fund remains in existence during the term of the contract. Distributions shall be made from the fund only for the following purposes:**

**(1) All refunds due to taxpayers as a result of the contract.**

**(2) All contract fees and other costs related to the contract.**

**(3) After the payments required by subdivisions (1) and (2) have been made and the contract has expired, all money remaining in the fund shall be distributed by the county auditor to the appropriate taxing units in the county.**

~~(c)~~ (d) A board of county commissioners, a county assessor, or an

C  
o  
p  
y



elected township assessor may not contract for services under subsection (a) on a percentage basis."

Renumber all SECTIONS consecutively.

(Reference is to SB 260 as printed January 20, 2006.)

KENLEY

---

### SENATE MOTION

Madam President: I move that Senator Hume be added as coauthor of Engrossed Senate Bill 260.

KENLEY

---

### COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred Senate Bill 260, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 6-1.1-3-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]:  
Sec. 17. (a) On or before June 1 of each year, each township assessor of a county shall deliver to the county assessor a list which states by taxing district the total of the personal property assessments as shown on the personal property returns filed with the assessor on or before the filing date of that year and in a county with a township assessor under IC 36-6-5-1 in every township the township assessor shall deliver the lists to the county auditor as prescribed in subsection (b).

(b) On or before July 1 of each year, each county assessor shall certify to the county auditor the assessment value of the personal property in every taxing district.

(c) The department of local government finance shall prescribe the forms required by this section.

**(d) The county auditor may after complying with IC 6-1.1-17-1 adjust the list of taxable property received under this section to reflect deductions and exemptions granted after the date the list is prepared."**

ES 260—LS 6865/DI 52+



C  
o  
p  
y

Page 2, line 12, delete "earlier" and insert "**earliest**".

Page 2, line 17, delete "or".

Page 2, line 19, delete "." and insert "; **or**

**(3) the date on which a building permit is issued for construction of a building or structure on the land."**

Page 2, between lines 21 and 22, begin a new paragraph and insert:

"SECTION 3. IC 6-1.1-5-14, AS AMENDED BY P.L.88-2005, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 14. Not later than May 15 each assessing official shall prepare and deliver to the county assessor a detailed list of the real property listed for taxation in the township. On or before July 1 of each year, each county assessor shall, under oath, prepare and deliver to the county auditor a detailed list of the real property listed for taxation in the county. In a county with an elected township assessor in every township the township assessor shall prepare the real property list. The assessing officials and the county assessor shall prepare the list in the form prescribed by the department of local government finance. The township assessor shall ensure that the county assessor has full access to the assessment records maintained by the township assessor. **The county auditor may after complying with IC 6-1.1-17-1 adjust the list of taxable property received under this section to reflect deductions and exemptions granted after the date the list is prepared."**

Page 5, between lines 18 and 19, begin a new paragraph and insert:

"SECTION 7. IC 6-1.1-9-10 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: **Sec. 10. (a) If in the course of a review of a taxpayer's personal property assessment under this chapter an assessing official or the assessing official's representative discovers an error indicating that the taxpayer has overreported a personal property assessment, the assessing official shall:**

**(1) adjust the personal property assessment to correct the error; and**

**(2) process a refund or credit for any resulting overpayment.**

**(b) Application of subsection (a) is subject to the restrictions of IC 6-1.1-11-1.**

SECTION 8. IC 6-1.1-10.1-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 11. (a) A high impact business that desires to obtain the property tax credit provided by section 10 of this chapter must file a certified credit application, on forms prescribed by the department of local

C  
o  
p  
y



government finance, with the auditor of the county in which the inventory is located. The credit application must be filed ~~on or~~ before ~~May 15~~ **August 1** each year. If the high impact business obtains a filing extension under IC 6-1.1-3-7(b) for any year, the application for the year must be filed by the extended due date for that year.

(b) The property tax credit application required by this section must contain the following information:

- (1) The name of the high impact business owning the inventory.
- (2) A description of the inventory for which a property tax credit is claimed in sufficient detail to afford identification.
- (3) The assessed value of the inventory subject to the property tax credit.
- (4) Any other information considered necessary by the department of local government finance.

(c) On verification of the correctness of a property tax credit application by the assessors of the townships in which the inventory is located, the county auditor shall grant the property tax credit.

(d) The property tax credit and the period of the credit provided for inventory under section 10 of this chapter are not affected by a change in the ownership of the high impact business if the new owner of the high impact business owning the inventory:

- (1) continues the business operation of the high impact business within the commission's jurisdiction and maintains employment levels within the commission's jurisdiction consistent with the certification and pledge required under section 9(a) of this chapter; and
- (2) files an application in the manner provided by subsections (a) and (b).

SECTION 9. IC 6-1.1-11-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]:

Sec. 3. (a) Subject to subsections (e) ~~and~~ (f), **and (g)**, an owner of tangible property who wishes to obtain an exemption from property taxation shall file a certified application in duplicate with the county assessor of the county in which the property that is the subject of the exemption is located. The application must be filed annually ~~on or~~ before ~~May 15~~ **August 1** on forms prescribed by the department of local government finance. Except as provided in sections 1, 3.5, and 4 of this chapter, the application applies only for the taxes imposed for the year for which the application is filed.

(b) The authority for signing an exemption application may not be delegated by the owner of the property to any other person except by an executed power of attorney.

C  
o  
p  
y



(c) An exemption application which is required under this chapter shall contain the following information:

- (1) A description of the property claimed to be exempt in sufficient detail to afford identification.
- (2) A statement showing the ownership, possession, and use of the property.
- (3) The grounds for claiming the exemption.
- (4) The full name and address of the applicant.
- (5) For the year that ends on the assessment date of the property, identification of:

(A) each part of the property used or occupied; and

(B) each part of the property not used or occupied; for one (1) or more exempt purposes under IC 6-1.1-10 during the time the property is used or occupied.

- (6) Any additional information which the department of local government finance may require.

(d) A person who signs an exemption application shall attest in writing and under penalties of perjury that, to the best of the person's knowledge and belief, a predominant part of the property claimed to be exempt is not being used or occupied in connection with a trade or business that is not substantially related to the exercise or performance of the organization's exempt purpose.

(e) An owner must file with an application for exemption of real property under subsection (a) or section 5 of this chapter a copy of the township assessor's record kept under IC 6-1.1-4-25(a) that shows the calculation of the assessed value of the real property for the assessment date for which the exemption is claimed. Upon receipt of the exemption application, the county assessor shall examine that record and determine if the real property for which the exemption is claimed is properly assessed. If the county assessor determines that the real property is not properly assessed, the county assessor shall direct the township assessor of the township in which the real property is located to:

- (1) properly assess the real property; and
- (2) notify the county assessor and county auditor of the proper assessment.

(f) If the county assessor determines that the applicant has not filed with an application for exemption a copy of the record referred to in subsection (e), the county assessor shall notify the applicant in writing of that requirement. The applicant then has thirty (30) days after the date of the notice to comply with that requirement. The county property tax assessment board of appeals shall deny an application described in

**C**  
**O**  
**P**  
**Y**



this subsection if the applicant does not comply with that requirement within the time permitted under this subsection.

**(g) This subsection applies whenever a law requires an exemption to be claimed on or in an application accompanying a personal property tax return. The claim or application may be filed on or with a personal property tax return not more than thirty (30) days after the filing date for the personal property tax return, regardless of whether an extension of the filing date has been granted under IC 6-1.1-3-7.**

SECTION 10. IC 6-1.1-11-3.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]:  
Sec. 3.5. (a) A not-for-profit corporation that seeks an exemption provided by IC 6-1.1-10 for 2000 or for a year that follows 2000 by a multiple of two (2) years must file an application for the exemption in that year. However, if a not-for-profit corporation seeks an exemption provided by IC 6-1.1-10 for a year not specified in this subsection and the corporation did not receive the exemption for the preceding year, the corporation must file an application for the exemption in the year for which the exemption is sought. The not-for-profit corporation must file each exemption application in the manner (other than the requirement for filing annually) prescribed in section 3 of this chapter.

(b) A not-for-profit corporation that receives an exemption provided under IC 6-1.1-10 for a particular year that remains eligible for the exemption for the following year is only required to file a statement to apply for the exemption in the years specified in subsection (a), if the use of the not-for-profit corporation's property remains unchanged.

(c) A not-for-profit corporation that receives an exemption provided under IC 6-1.1-10 for a particular year which becomes ineligible for the exemption for the following year shall notify the assessor of the county in which the tangible property for which it claims the exemption is located of its ineligibility ~~on or before May 15~~ **August 1** of the year for which it becomes ineligible. If a not-for-profit corporation that is receiving an exemption provided under IC 6-1.1-10 changes the use of its tangible property so that part or all of that property no longer qualifies for the exemption, the not-for-profit corporation shall notify the assessor of the county in which the tangible property for which it claims the exemption is located of its ineligibility ~~on or before May 15~~ **August 1** of the year for which it first becomes ineligible. The county assessor shall immediately notify the county auditor of the not-for-profit corporation's ineligibility or disqualification for the exemption. A not-for-profit corporation that fails to provide the notification required by this subsection is subject to the penalties set

C  
o  
p  
y



forth in IC 6-1.1-37-9.

(d) For each year that is not a year specified in subsection (a), the auditor of each county shall apply an exemption provided under IC 6-1.1-10 to the tangible property owned by a not-for-profit corporation that received the exemption in the preceding year unless the county property tax assessment board of appeals determines that the not-for-profit corporation is no longer eligible for the exemption.

(e) The department of local government finance may at any time review an exemption provided under this section and determine whether or not the not-for-profit corporation is eligible for the exemption."

Page 5, line 27, strike "twelve (12)" and insert "**fifteen (15)**".

Page 5, line 28, delete "June 11" and insert "**†† August 1**".

Page 6, line 37, strike "twelve (12)" and insert "**fifteen (15)**".

Page 6, line 37, delete "June 11" and insert "**†† August 1**".

Page 7, line 20, strike "twelve (12)" and insert "**fifteen (15)**".

Page 7, line 21, delete "June 11" and insert "**†† August 1**".

Page 8, line 19, strike "twelve (12)" and insert "**fifteen (15)**".

Page 8, line 20, delete "June 11" and insert "**†† August 1**".

Page 9, line 4, strike "twelve (12)" and insert "**fifteen (15)**".

Page 9, line 4, delete "June 11" and insert "**†† August 1**".

Page 9, line 41, strike "twelve (12)" and insert "**fifteen (15)**".

Page 9, line 41, delete "June 11" and insert "**†† August 1**".

Page 10, line 26, strike "twelve (12)" and insert "**fifteen (15)**".

Page 10, line 27, delete "June 11" and insert "**†† August 1**".

Page 11, line 19, delete "June 10" and insert "**†† August 1**".

Page 11, between lines 36 and 37, begin a new paragraph and insert:

"SECTION 15. IC 6-1.1-12-20 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]:

Sec. 20. (a) A property owner who desires to obtain the deduction provided by section 18 of this chapter must file a certified deduction application, on forms prescribed by the department of local government finance, with the auditor of the county in which the rehabilitated property is located. The application may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. Except as provided in subsection (b), the application must be filed before ~~May 10~~ **August 1** of the year in which the addition to assessed value is made.

(b) If notice of the addition to assessed value for any year is not given to the property owner before ~~April 10~~ **July 16** of that year, the application required by this section may be filed not later than thirty (30) days after the date such a notice is mailed to the property owner

C  
o  
p  
y



at the address shown on the records of the township assessor.

(c) The application required by this section shall contain the following information:

- (1) a description of the property for which a deduction is claimed in sufficient detail to afford identification;
- (2) statements of the ownership of the property;
- (3) the assessed value of the improvements on the property before rehabilitation;
- (4) the number of dwelling units on the property;
- (5) the number of dwelling units rehabilitated;
- (6) the increase in assessed value resulting from the rehabilitation; and
- (7) the amount of deduction claimed.

(d) A deduction application filed under this section is applicable for the year in which the increase in assessed value occurs and for the immediately following four (4) years without any additional application being filed.

(e) On verification of an application by the assessor of the township in which the property is located, the county auditor shall make the deduction.

SECTION 16. IC 6-1.1-12-24 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]:  
 Sec. 24. (a) A property owner who desires to obtain the deduction provided by section 22 of this chapter must file a certified deduction application, on forms prescribed by the department of local government finance, with the auditor of the county in which the property is located. The application may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. Except as provided in subsection (b), the application must be filed before ~~May 1~~ **August 1** of the year in which the addition to assessed valuation is made.

(b) If notice of the addition to assessed valuation for any year is not given to the property owner before ~~April 1~~ **July 1** of that year, the application required by this section may be filed not later than thirty (30) days after the date such a notice is mailed to the property owner at the address shown on the records of the township assessor.

(c) The application required by this section shall contain the following information:

- (1) the name of the property owner;
- (2) a description of the property for which a deduction is claimed in sufficient detail to afford identification;
- (3) the assessed value of the improvements on the property before

**C  
o  
p  
y**



rehabilitation;

(4) the increase in the assessed value of improvements resulting from the rehabilitation; and

(5) the amount of deduction claimed.

(d) A deduction application filed under this section is applicable for the year in which the addition to assessed value is made and in the immediate following four (4) years without any additional application being filed.

(e) On verification of the correctness of an application by the assessor of the township in which the property is located, the county auditor shall make the deduction.

SECTION 17. IC 6-1.1-12-30 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 30. Except as provided in section 36 of this chapter, a person who desires to claim the deduction provided by section 29 of this chapter must file a certified statement in duplicate, on forms prescribed by the department of local government finance, with the auditor of the county in which the real property or mobile home is subject to assessment. With respect to real property, the person must file the statement between March 1 and ~~May 10~~ **August 1**, inclusive, of each year for which the person desires to obtain the deduction. With respect to a mobile home which is not assessed as real property, the person must file the statement between January 15 and March 31, inclusive, of each year for which the person desires to obtain the deduction. On verification of the statement by the assessor of the township in which the real property or mobile home is subject to assessment, the county auditor shall allow the deduction.

SECTION 18. IC 6-1.1-12-35.5, AS AMENDED BY P.L.214-2005, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 35.5. (a) Except as provided in section 36 of this chapter, a person who desires to claim the deduction provided by section 31, 33, 34, or 34.5 of this chapter must file a certified statement in duplicate, on forms prescribed by the department of local government finance, and proof of certification under subsection (b) or (f) with the auditor of the county in which the property for which the deduction is claimed is subject to assessment. Except as provided in subsection (e), with respect to property that is not assessed under IC 6-1.1-7, the person must file the statement between March 1 and ~~May 10~~ **August 1**, inclusive, of the assessment year. The person must file the statement in each year for which the person desires to obtain the deduction. With respect to a property which is assessed under IC 6-1.1-7, the person must file the statement between January

**C  
o  
p  
y**



15 and March 31, inclusive, of each year for which the person desires to obtain the deduction. The statement may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. On verification of the statement by the assessor of the township in which the property for which the deduction is claimed is subject to assessment, the county auditor shall allow the deduction.

(b) This subsection does not apply to an application for a deduction under section 34.5 of this chapter. The department of environmental management, upon application by a property owner, shall determine whether a system or device qualifies for a deduction provided by section 31, 33, or 34 of this chapter. If the department determines that a system or device qualifies for a deduction, it shall certify the system or device and provide proof of the certification to the property owner. The department shall prescribe the form and manner of the certification process required by this subsection.

(c) This subsection does not apply to an application for a deduction under section 34.5 of this chapter. If the department of environmental management receives an application for certification before ~~April 10~~ **July 1** of the assessment year, the department shall determine whether the system or device qualifies for a deduction before ~~May 10~~ **August 1** of the assessment year. If the department fails to make a determination under this subsection before ~~May 10~~ **August 1** of the assessment year, the system or device is considered certified.

(d) A denial of a deduction claimed under section 31, 33, 34, or 34.5 of this chapter may be appealed as provided in IC 6-1.1-15. The appeal is limited to a review of a determination made by the township assessor, county property tax assessment board of appeals, or department of local government finance.

(e) A person who timely files a personal property return under IC 6-1.1-3-7(a) for an assessment year and who desires to claim the deduction provided in section 31 of this chapter for property that is not assessed under IC 6-1.1-7 must file the statement described in subsection (a) between March 1 and ~~May 15~~ **August 1**, inclusive, of that year. A person who obtains a filing extension under IC 6-1.1-3-7(b) for an assessment year must file the application between March 1 and the extended due date for that year.

(f) This subsection applies only to an application for a deduction under section 34.5 of this chapter. The center for coal technology research established by IC 4-4-30-5, upon receiving an application from the owner of a building, shall determine whether the building qualifies for a deduction under section 34.5 of this chapter. If the center determines that a building qualifies for a deduction, the center shall

C  
o  
p  
y



certify the building and provide proof of the certification to the owner of the building. The center shall prescribe the form and procedure for certification of buildings under this subsection. If the center receives an application for certification of a building under section 34.5 of this chapter before ~~April 10~~ **July 1** of an assessment year:

- (1) the center shall determine whether the building qualifies for a deduction before ~~May 10~~ **August 1** of the assessment year; and
- (2) if the center fails to make a determination before ~~May 10~~ **August 1** of the assessment year, the building is considered certified.

SECTION 19. IC 6-1.1-12-38 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]:  
Sec. 38. (a) A person is entitled to a deduction from the assessed value of the person's property in an amount equal to the difference between:

- (1) the assessed value of the person's property, including the assessed value of the improvements made to comply with the fertilizer storage rules adopted by the state chemist under IC 15-3-3-12 and the pesticide storage rules adopted by the state chemist under IC 15-3-3.5-11; minus
- (2) the assessed value of the person's property, excluding the assessed value of the improvements made to comply with the fertilizer storage rules adopted by the state chemist under IC 15-3-3-12 and the pesticide storage rules adopted by the state chemist under IC 15-3-3.5-11.

(b) To obtain the deduction under this section, a person must file a certified statement in duplicate, on forms prescribed by the department of local government finance, with the auditor of the county in which the property is subject to assessment. In addition to the certified statement, the person must file a certification by the state chemist listing the improvements that were made to comply with the fertilizer storage rules adopted under IC 15-3-3-12 and the pesticide storage rules adopted by the state chemist under IC 15-3-3.5-11. The statement and certification must be filed before ~~May 10~~ **August 1** of the year preceding the year the deduction will first be applied. Upon the verification of the statement and certification by the assessor of the township in which the property is subject to assessment, the county auditor shall allow the deduction."

Page 11, line 38, delete "[EFFECTIVE JULY 1, 2006]:" and insert "[EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]:".

Page 17, between lines 41 and 42, begin a new paragraph and insert:  
"SECTION 16. IC 6-1.1-12.1-5, AS AMENDED BY P.L.193-2005, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

C  
o  
p  
y



JANUARY 1, 2006 (RETROACTIVE)]: Sec. 5. (a) A property owner who desires to obtain the deduction provided by section 3 of this chapter must file a certified deduction application, on forms prescribed by the department of local government finance, with the auditor of the county in which the property is located. Except as otherwise provided in subsection (b) or (e), the deduction application must be filed before ~~May 10~~ **August 1** of the year in which the addition to assessed valuation is made.

(b) If notice of the addition to assessed valuation or new assessment for any year is not given to the property owner before ~~April 10~~ **July 1** of that year, the deduction application required by this section may be filed not later than thirty (30) days after the date such a notice is mailed to the property owner at the address shown on the records of the township assessor.

(c) The deduction application required by this section must contain the following information:

- (1) The name of the property owner.
- (2) A description of the property for which a deduction is claimed in sufficient detail to afford identification.
- (3) The assessed value of the improvements before rehabilitation.
- (4) The increase in the assessed value of improvements resulting from the rehabilitation.
- (5) The assessed value of the new structure in the case of redevelopment.
- (6) The amount of the deduction claimed for the first year of the deduction.
- (7) If the deduction application is for a deduction in a residentially distressed area, the assessed value of the improvement or new structure for which the deduction is claimed.

(d) A deduction application filed under subsection (a) or (b) is applicable for the year in which the addition to assessed value or assessment of a new structure is made and in the following years the deduction is allowed without any additional deduction application being filed. However, property owners who had an area designated an urban development area pursuant to a deduction application filed prior to January 1, 1979, are only entitled to a deduction for a five (5) year period. In addition, property owners who are entitled to a deduction under this chapter pursuant to a deduction application filed after December 31, 1978, and before January 1, 1986, are entitled to a deduction for a ten (10) year period.

(e) A property owner who desires to obtain the deduction provided by section 3 of this chapter but who has failed to file a deduction

**C  
o  
p  
y**



application within the dates prescribed in subsection (a) or (b) may file a deduction application between March 1 and ~~May 10~~ **August 1** of a subsequent year which shall be applicable for the year filed and the subsequent years without any additional deduction application being filed for the amounts of the deduction which would be applicable to such years pursuant to section 4 of this chapter if such a deduction application had been filed in accordance with subsection (a) or (b).

(f) Subject to subsection (i), the county auditor shall act as follows:

(1) If a determination about the number of years the deduction is allowed has been made in the resolution adopted under section 2.5 of this chapter, the county auditor shall make the appropriate deduction.

(2) If a determination about the number of years the deduction is allowed has not been made in the resolution adopted under section 2.5 of this chapter, the county auditor shall send a copy of the deduction application to the designating body. Upon receipt of the resolution stating the number of years the deduction will be allowed, the county auditor shall make the appropriate deduction.

(3) If the deduction application is for rehabilitation or redevelopment in a residentially distressed area, the county auditor shall make the appropriate deduction.

(g) The amount and period of the deduction provided for property by section 3 of this chapter are not affected by a change in the ownership of the property if the new owner of the property:

(1) continues to use the property in compliance with any standards established under section 2(g) of this chapter; and

(2) files an application in the manner provided by subsection (e).

(h) The township assessor shall include a notice of the deadlines for filing a deduction application under subsections (a) and (b) with each notice to a property owner of an addition to assessed value or of a new assessment.

(i) Before the county auditor acts under subsection (f), the county auditor may request that the township assessor of the township in which the property is located review the deduction application.

(j) A property owner may appeal a determination of the county auditor under subsection (f) to deny or alter the amount of the deduction by requesting in writing a preliminary conference with the county auditor not more than forty-five (45) days after the county auditor gives the person notice of the determination. An appeal initiated under this subsection is processed and determined in the same manner that an appeal is processed and determined under IC 6-1.1-15.

SECTION 17. IC 6-1.1-12.1-5.1, AS AMENDED BY P.L.193-2005,

**C  
O  
P  
Y**



SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 5.1. (a) This subsection applies to:

- (1) all deductions under section 3 of this chapter for property located in a residentially distressed area; and
- (2) any other deductions for which a statement of benefits was approved under section 3 of this chapter before July 1, 1991.

In addition to the requirements of section 5(c) of this chapter, a deduction application filed under section 5 of this chapter must contain information showing the extent to which there has been compliance with the statement of benefits approved under section 3 of this chapter. Failure to comply with a statement of benefits approved before July 1, 1991, may not be a basis for rejecting a deduction application.

(b) This subsection applies to each deduction (other than a deduction for property located in a residentially distressed area) for which a statement of benefits was approved under section 3 of this chapter after June 30, 1991. In addition to the requirements of section 5(c) of this chapter, a property owner who files a deduction application under section 5 of this chapter must provide the county auditor and the designating body with information showing the extent to which there has been compliance with the statement of benefits approved under section 3 of this chapter. This information must be included in the deduction application and must also be updated each year in which the deduction is applicable at the same time that the property owner is required to file a personal property tax return in the taxing district in which the property for which the deduction was granted is located. If the taxpayer does not file a personal property tax return in the taxing district in which the property is located, the information must be provided before ~~May 15~~ **August 1**.

(c) Notwithstanding IC 5-14-3 and IC 6-1.1-35-9, the following information is a public record if filed under this section:

- (1) The name and address of the taxpayer.
- (2) The location and description of the property for which the deduction was granted.
- (3) Any information concerning the number of employees at the property for which the deduction was granted, including estimated totals that were provided as part of the statement of benefits.
- (4) Any information concerning the total of the salaries paid to those employees, including estimated totals that were provided as part of the statement of benefits.
- (5) Any information concerning the assessed value of the property, including estimates that were provided as part of the

**C  
O  
P  
Y**



statement of benefits.

(d) The following information is confidential if filed under this section:

- (1) Any information concerning the specific salaries paid to individual employees by the property owner.
- (2) Any information concerning the cost of the property.

SECTION 18. IC 6-1.1-12.1-9.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: **Sec. 9.5. (a) As used in this section, "clerical error" includes mathematical errors and omitted signatures.**

**(b) Except as provided in section 9 of this chapter, the designating body may by resolution waive noncompliance with the following requirements in this chapter with respect to a particular deduction under this chapter:**

- (1) a filing deadline applicable to an application, a statement of benefits, or another document that is required to be filed under this chapter; or**
- (2) a clerical error in an application, a statement of benefits, or another document that is required to be filed under this chapter;**

**if the taxpayer otherwise qualifies for the deduction and the document is filed or the clerical error is corrected before the resolution is adopted. The resolution must specifically identify the property, deductions, and taxpayer that are effected by the resolution, specifically identify the noncompliance that is the subject of the resolution, and include a finding that the noncompliance has been corrected before the adoption of the resolution.**

**(c) The designating body shall certify a copy of a resolution adopted under this section to the taxpayer and the department of local government finance.**

**(d) If a noncompliance with this chapter has been corrected and a resolution is adopted under this section, the taxpayer shall be treated as if the taxpayer had complied with the procedural requirements of this chapter. However, if the designating body determines that granting the relief permitted by this section would result in a delay in the issuance of tax bills, require the recalculation of tax rates or tax levies for a particular year, or otherwise cause an undue burden on a taxing unit, the designating body may require that the deduction that the taxpayer would be entitled to receive for a particular year be applied to a subsequent**

**C  
O  
P  
Y**



**year in the manner prescribed by the department of local government finance.**

SECTION 19. IC 6-1.1-12.4-3, AS ADDED BY P.L.193-2005, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 3. (a) For purposes of this section, an increase in the assessed value of personal property is determined in the same manner that an increase in the assessed value of new manufacturing equipment is determined for purposes of IC 6-1.1-12.1.

(b) This subsection applies only to personal property that the owner purchases after March 1, 2005, and before March 2, 2009. Except as provided in sections 4, 5, and 8 of this chapter, an owner that purchases personal property other than inventory (as defined in 50 IAC 4.2-5-1, as in effect on January 1, 2005) that:

- (1) was never before used by its owner for any purpose in Indiana; and
- (2) creates or retains employment;

is entitled to a deduction from the assessed value of the personal property.

(c) The deduction under this section is first available in the year in which the increase in assessed value resulting from the purchase of the personal property occurs and continues for the following two (2) years. The amount of the deduction that a property owner may receive with respect to personal property located in a county for a particular year equals the lesser of:

- (1) two million dollars (\$2,000,000); or
- (2) the product of:
  - (A) the increase in assessed value resulting from the purchase of the personal property; multiplied by
  - (B) the percentage from the following table:

YEAR OF DEDUCTION	PERCENTAGE
1st	75%
2nd	50%
3rd	25%

(d) If an appeal of an assessment is approved that results in a reduction of the assessed value of the personal property, the amount of the deduction is adjusted to reflect the percentage decrease that results from the appeal.

(e) A property owner must claim the deduction under this section on the owner's annual personal property tax return. The township assessor shall:

- (1) identify the personal property eligible for the deduction to the

**C  
o  
p  
y**



county auditor; and

(2) inform the county auditor of the deduction amount.

(f) The county auditor shall:

(1) make the deductions; and

(2) notify the county property tax assessment board of appeals of all deductions approved;

under this section.

**(g) The deduction under this section does not apply to personal property at a facility listed in IC 6-1.1-12.1-3(e).**

SECTION 20. IC 6-1.1-12.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]:

**Chapter 12.5. Assessment Phase-in Deduction**

**Sec. 1. For purposes of this chapter:**

(1) "enlarge" means to add floor area;

(2) "rehabilitate" means to remodel, repair, or improve in any manner; and

(3) "residential property" means real property improvements assessed as residential property under the rules of the department of local government finance.

**Sec. 2. (a) Subject to subsection (d) and section 3 of this chapter, a taxpayer that:**

(1) rehabilitates; or

(2) enlarges;

residential property for which the taxpayer is liable for property taxes is entitled to a deduction from the assessed value of the residential property.

**(b) A deduction under this section is available in:**

(1) the year in which the rehabilitation or enlargement of the residential property results in an increased assessed value of the residential property; and

(2) the immediately succeeding two (2) years.

**(c) The amount of the deduction that a taxpayer may receive for:**

(1) the year referred to in subsection (b)(1) equals the product of:

(A) the increased assessed value for that year resulting from the rehabilitation or enlargement of the residential property; multiplied by

(B) seventy-five percent (75%);

(2) the first year referred to in subsection (b)(2) equals the product of:

C  
o  
p  
y



- (A) the increased assessed value of the residential property determined under subdivision (1)(A) as adjusted under:
  - (i) IC 6-1.1-4-4; or
  - (ii) IC 6-1.1-4-4.5; multiplied by
- (B) fifty percent (50%); and
- (3) the second year referred to in subsection (b)(2) equals the product of:

- (A) the increased assessed value of the residential property determined under subdivision (1)(A) as adjusted under:
  - (i) IC 6-1.1-4-4;
  - (ii) IC 6-1.1-4-4.5; or
  - (iii) both IC 6-1.1-4-4 and IC 6-1.1-4-4.5; multiplied by
- (B) twenty-five percent (25%).
- (d) A property owner that qualifies for a deduction for a year under:
  - (1) this section; and
  - (2) another statute;

based on the same rehabilitation or enlargement of a residential property may not receive a deduction for that rehabilitation or enlargement of the property under both statutes for that year.

(e) A taxpayer that desires to claim a deduction under this section must file a statement, on forms prescribed by the department of local government finance, with the auditor of the county in which the residential property is located. The statement must be filed during the twelve (12) months before May 11 of each year for which the taxpayer wishes to obtain the deduction. A statement under this subsection may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing.

**Sec. 3. If ownership of the residential property changes:**

- (1) the deduction provided under this chapter continues to apply to the residential property; and
- (2) the amount of the deduction is:
  - (A) the percentage under section 2(c)(1)(B), 2(c)(2)(B), or 2(c)(3)(B) of this chapter that would have applied if the ownership of the residential property had not changed; multiplied by
  - (B) the assessed value of the residential property, as determined and adjusted under section 2 of this chapter, for the year the new owner is entitled to the deduction.

**Sec. 4. The department of local government finance shall adopt rules under IC 4-22-2 to implement this chapter."**

**C  
o  
p  
y**



Page 22, between lines 23 and 24, begin a new paragraph and insert:  
 "SECTION 20. IC 6-1.1-17-0.5 IS AMENDED TO READ AS  
 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 0.5. (a) For  
 purposes of this section, "assessed value" has the meaning set forth in  
 IC 6-1.1-1-3(a).

(b) The county auditor may exclude and keep separate on the tax  
 duplicate for taxes payable in a calendar year the assessed value of  
 tangible property that meets the following conditions:

- (1) The assessed value of the property is at least nine percent  
 (9%) of the assessed value of all tangible property subject to  
 taxation by a taxing unit. ~~(as defined in IC 6-1.1-1-21).~~
- (2) The property is or has been part of a bankruptcy estate that is  
 subject to protection under the federal bankruptcy code.
- (3) The owner of the property has discontinued all business  
 operations on the property.
- (4) There is a high probability that the taxpayer will not pay  
 property taxes due on the property in the following year.

(c) This section does not limit, restrict, or reduce in any way the  
 property tax liability on the property.

**(d) For each taxing unit located in the county, the county  
 auditor may reduce for a calendar year the taxing unit's assessed  
 value that is certified to the department of local government  
 finance under section 1 of this chapter and used to set tax rates for  
 the taxing unit for taxes first due and payable in the immediately  
 succeeding calendar year. The county auditor may reduce a taxing  
 unit's assessed value under this subsection only to enable the taxing  
 unit to absorb the effects of reduced property tax collections in the  
 immediately succeeding calendar year that are expected to result  
 from successful appeals of the assessed value of property located  
 in the taxing unit. The county auditor shall keep separately on the  
 tax duplicate the amount of any reductions made under this  
 subsection. The maximum amount of the reduction authorized  
 under this subsection is determined under subsection (e).**

(e) The amount of the reduction in a taxing unit's assessed value  
 for a calendar year under subsection (d) may not exceed the lesser  
 of:

- (1) two percent (2%) of the assessed value of tangible  
 property subject to assessment in the taxing unit in that  
 calendar year; or
- (2) the total amount of reductions in the assessed value of  
 tangible property subject to assessment in the taxing unit  
 that:

C  
O  
P  
Y



(A) applied for the assessment date in the immediately preceding year; and

(B) resulted from successful appeals of the assessed value of the property.

(f) The amount of a reduction under subsection (d) may not be offered in a proceeding before the:

- (1) county property tax assessment board of appeals;
- (2) Indiana board; or
- (3) Indiana tax court;

as evidence that a particular parcel has been improperly assessed."

Page 22, line 41, strike "and".

Page 22, between lines 41 and 42, begin a new line block indented and insert:

"(5) the amount of the political subdivision's assessed valuation reduction determined under section 0.5(d) of this chapter; and".

Page 22, line 42, strike "(5)" and insert "(6)".

Page 24, delete lines 8 through 42, begin a new paragraph and insert:

"SECTION 21. IC 6-1.1-17-8.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 8.5. (a) If a county auditor reduces a taxing unit's assessed valuation under section 0.5(d) of this chapter, the department of local government finance shall, in the manner prescribed in section 16 of this chapter, review the budget, tax rate, and tax levy of the taxing unit.**

(b) The county auditor may appeal to the department of local government finance to reduce a taxing unit's assessed valuation by an amount that exceeds the limits set forth in section 0.5(e) of this chapter. The department of local government finance:

- (1) may require the county auditor to submit supporting information with the county auditor's appeal;
- (2) shall consider the appeal at the time of the review required by subsection (a); and
- (3) may approve, modify and approve, or reject the amount of the reduction sought in the appeal."

Page 25, delete lines 1 through 38.

Page 28, between lines 28 and 29, begin a new paragraph and insert:

"(l) The department of local government finance may not certify a taxing unit's budget, tax rate, or tax levy if the department of local government finance determines that the county auditor has reduced the taxing unit's assessed valuation by more than the

C  
o  
p  
y



amount authorized under section 0.5(e) or 8.5(b) of this chapter."

Page 28, line 42, after "the" insert "greater of the:

(1) civil taxing unit's maximum permissible ad valorem property tax levy for the calendar year immediately preceding the ensuing calendar year, as that levy was determined under section 3 of this chapter; or

(2)".

Page 29, line 6, after "for" reset in roman "the".

Page 29, line 6, delete "any".

Page 29, line 7, reset in roman "immediately preceding".

Page 29, line 7, delete "after 2003 that precedes".

Page 29, delete lines 15 through 25.

Page 29, delete lines 32 through 42, begin a new paragraph and insert:

"SECTION 24. IC 6-1.1-18.5-13, AS AMENDED BY P.L.73-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 13. With respect to an appeal filed under section 12 of this chapter, the local government tax control board may recommend that a civil taxing unit receive any one (1) or more of the following types of relief:

(1) Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if in the judgment of the local government tax control board the increase is reasonably necessary due to increased costs of the civil taxing unit resulting from annexation, consolidation, or other extensions of governmental services by the civil taxing unit to additional geographic areas or persons.

(2) Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the civil taxing unit needs the increase to meet the civil taxing unit's share of the costs of operating a court established by statute enacted after December 31, 1973. Before recommending such an increase, the local government tax control board shall consider all other revenues available to the civil taxing unit that could be applied for that purpose. The maximum aggregate levy increases that the local government tax control board may recommend for a particular court equals the civil taxing unit's share of the costs of operating a court for the first full calendar year in which it is in existence.

(3) Permission to the civil taxing unit to increase its levy **percentage** in excess of the ~~limitations established~~ **levy increase percentage determined** under section 3 of this chapter ~~if the~~

C  
o  
p  
y



local government tax control board finds that the quotient by the percentage determined under STEP SIX TWELVE of the following formula: is equal to or greater than one and three-hundredths (1.03):

STEP ONE: Determine the three (3) calendar years that most immediately precede the ensuing calendar year and in which a statewide general reassessment of real property does not first become effective.

STEP TWO: Compute separately, for each of the calendar years determined in STEP ONE, the quotient (rounded to the nearest ten-thousandth (0.0001)) of:

(A) the ~~sum of the~~ civil taxing unit's total assessed value of all taxable property and the total assessed value of property tax deductions in the unit under IC 6-1.1-12-41 or IC 6-1.1-12-42 in the particular calendar year, as adjusted to eliminate the effects of the enactment of laws or rules that provide for a type or amount of an assessment, a deduction or an exemption in the year that was not available in the immediately preceding calendar year; divided by

(B) the sum of the civil taxing unit's total assessed value of all taxable property and the total assessed value of property tax deductions in the unit under IC 6-1.1-12-41 or IC 6-1.1-12-42 in the calendar year immediately preceding the particular calendar year, as adjusted to eliminate the effects of the enactment of laws or rules that provide for a type or amount of an assessment, a deduction, or an exemption in the year that is not available in the current calendar year.

STEP THREE: Divide the sum of the three (3) quotients computed in STEP TWO by three (3).

STEP FOUR: Compute separately, for each of the calendar years determined in STEP ONE, the quotient (rounded to the nearest ten-thousandth (0.0001)) of:

(A) the ~~sum of the~~ total assessed value of all taxable property in all counties and the total assessed value of property tax deductions in all counties under IC 6-1.1-12-41 or IC 6-1.1-12-42 in the particular calendar year, as adjusted to eliminate the effects of the enactment of laws or rules that provide for a type or amount of an assessment, a deduction, or an exemption in the year that was not available in the immediately preceding calendar

C  
o  
p  
y



year; divided by

(B) the ~~sum of the~~ total assessed value of all taxable property in all counties ~~and the total assessed value of property tax deductions in all counties under IC 6-1.1-12-41 or IC 6-1.1-12-42~~ in the calendar year immediately preceding the particular calendar year, **as adjusted to eliminate the effects of the enactment of laws or rules that provide for a type or amount of an assessment, a deduction, or an exemption in the year that is not available in the current calendar year.**

STEP FIVE: Divide the sum of the three (3) quotients computed in STEP FOUR by three (3).

STEP SIX: Divide the STEP THREE amount by the STEP FIVE amount. ~~The civil taxing unit may increase its levy by a percentage not greater than the percentage by which the STEP THREE amount exceeds~~

**STEP SEVEN: Determine the result of:**

(A) the STEP SIX result; minus

(B) the percentage by which the civil taxing unit may increase its levy under section 3 of this chapter based on the assessed value growth quotient determined under section 2 of this chapter.

**STEP EIGHT: Determine the greater of zero (0) or the STEP SEVEN amount.**

**STEP NINE: Determine the total ad valorem property tax rate certified for the civil taxing unit in the year immediately preceding the particular calendar year.**

**STEP TEN: Determine the average total ad valorem property tax rate for all similar civil taxing units of the same type and class in the year immediately preceding the particular calendar year.**

**STEP ELEVEN: Determine the result of:**

(A) the STEP NINE result; divided by

(B) the STEP TEN result.

**STEP TWELVE: Determine the result of:**

(A) the STEP EIGHT result; multiplied by

(B) the following:

(i) One (1), if the STEP ELEVEN result is not greater than one (1).

(ii) Five tenths (0.5) if the STEP ELEVEN result is greater than one (1).

(4) Permission to the civil taxing unit to increase its levy in excess

C  
o  
p  
y



of the limitations established under section 3 of this chapter, if the local government tax control board finds that the civil taxing unit needs the increase to pay the costs of furnishing fire protection for the civil taxing unit through a volunteer fire department. For purposes of determining a township's need for an increased levy, the local government tax control board shall not consider the amount of money borrowed under IC 36-6-6-14 during the immediately preceding calendar year. However, any increase in the amount of the civil taxing unit's levy recommended by the local government tax control board under this subdivision for the ensuing calendar year may not exceed the lesser of:

(A) ten thousand dollars (\$10,000); or

(B) twenty percent (20%) of:

(i) the amount authorized for operating expenses of a volunteer fire department in the budget of the civil taxing unit for the immediately preceding calendar year; plus

(ii) the amount of any additional appropriations authorized during that calendar year for the civil taxing unit's use in paying operating expenses of a volunteer fire department under this chapter; minus

(iii) the amount of money borrowed under IC 36-6-6-14 during that calendar year for the civil taxing unit's use in paying operating expenses of a volunteer fire department.

(5) Permission to a civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter in order to raise revenues for pension payments and contributions the civil taxing unit is required to make under IC 36-8. The maximum increase in a civil taxing unit's levy that may be recommended under this subdivision for an ensuing calendar year equals the amount, if any, by which the pension payments and contributions the civil taxing unit is required to make under IC 36-8 during the ensuing calendar year exceeds the product of one and one-tenth (1.1) multiplied by the pension payments and contributions made by the civil taxing unit under IC 36-8 during the calendar year that immediately precedes the ensuing calendar year. For purposes of this subdivision, "pension payments and contributions made by a civil taxing unit" does not include that part of the payments or contributions that are funded by distributions made to a civil taxing unit by the state.

(6) Permission to increase its levy in excess of the limitations established under section 3 of this chapter if the local government tax control board finds that:

C  
o  
p  
y



(A) the township's township assistance ad valorem property tax rate is less than one and sixty-seven hundredths cents (\$0.0167) per one hundred dollars (\$100) of assessed valuation; and

(B) the township needs the increase to meet the costs of providing township assistance under IC 12-20 and IC 12-30-4.

The maximum increase that the board may recommend for a township is the levy that would result from an increase in the township's township assistance ad valorem property tax rate of one and sixty-seven hundredths cents (\$0.0167) per one hundred dollars (\$100) of assessed valuation minus the township's ad valorem property tax rate per one hundred dollars (\$100) of assessed valuation before the increase.

(7) Permission to a civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter if:

(A) the increase has been approved by the legislative body of the municipality with the largest population where the civil taxing unit provides public transportation services; and

(B) the local government tax control board finds that the civil taxing unit needs the increase to provide adequate public transportation services.

The local government tax control board shall consider tax rates and levies in civil taxing units of comparable population, and the effect (if any) of a loss of federal or other funds to the civil taxing unit that might have been used for public transportation purposes. However, the increase that the board may recommend under this subdivision for a civil taxing unit may not exceed the revenue that would be raised by the civil taxing unit based on a property tax rate of one cent (\$0.01) per one hundred dollars (\$100) of assessed valuation.

(8) Permission to a civil taxing unit to increase the unit's levy in excess of the limitations established under section 3 of this chapter if the local government tax control board finds that:

(A) the civil taxing unit is:

(i) a county having a population of more than one hundred forty-eight thousand (148,000) but less than one hundred seventy thousand (170,000);

(ii) a city having a population of more than fifty-five thousand (55,000) but less than fifty-nine thousand (59,000);

(iii) a city having a population of more than twenty-eight thousand seven hundred (28,700) but less than twenty-nine thousand (29,000);

**C  
O  
P  
Y**



- (iv) a city having a population of more than fifteen thousand four hundred (15,400) but less than sixteen thousand six hundred (16,600); or
- (v) a city having a population of more than seven thousand (7,000) but less than seven thousand three hundred (7,300); and

(B) the increase is necessary to provide funding to undertake removal (as defined in IC 13-11-2-187) and remedial action (as defined in IC 13-11-2-185) relating to hazardous substances (as defined in IC 13-11-2-98) in solid waste disposal facilities or industrial sites in the civil taxing unit that have become a menace to the public health and welfare.

The maximum increase that the local government tax control board may recommend for such a civil taxing unit is the levy that would result from a property tax rate of six and sixty-seven hundredths cents (\$0.0667) for each one hundred dollars (\$100) of assessed valuation. For purposes of computing the ad valorem property tax levy limit imposed on a civil taxing unit under section 3 of this chapter, the civil taxing unit's ad valorem property tax levy for a particular year does not include that part of the levy imposed under this subdivision. In addition, a property tax increase permitted under this subdivision may be imposed for only two (2) calendar years.

(9) Permission for a county:

(A) having a population of more than eighty thousand (80,000) but less than ninety thousand (90,000) to increase the county's levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the county needs the increase to meet the county's share of the costs of operating a jail or juvenile detention center, including expansion of the facility, if the jail or juvenile detention center is opened after December 31, 1991;

(B) that operates a county jail or juvenile detention center that is subject to an order that:

- (i) was issued by a federal district court; and
- (ii) has not been terminated;

(C) that operates a county jail that fails to meet:

- (i) American Correctional Association Jail Construction Standards; and
- (ii) Indiana jail operation standards adopted by the department of correction; or

(D) that operates a juvenile detention center that fails to meet

**C  
o  
p  
y**



standards equivalent to the standards described in clause (C) for the operation of juvenile detention centers.

Before recommending an increase, the local government tax control board shall consider all other revenues available to the county that could be applied for that purpose. An appeal for operating funds for a jail or a juvenile detention center shall be considered individually, if a jail and juvenile detention center are both opened in one (1) county. The maximum aggregate levy increases that the local government tax control board may recommend for a county equals the county's share of the costs of operating the jail or a juvenile detention center for the first full calendar year in which the jail or juvenile detention center is in operation.

(10) Permission for a township to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the township needs the increase so that the property tax rate to pay the costs of furnishing fire protection for a township, or a portion of a township, enables the township to pay a fair and reasonable amount under a contract with the municipality that is furnishing the fire protection. However, for the first time an appeal is granted the resulting rate increase may not exceed fifty percent (50%) of the difference between the rate imposed for fire protection within the municipality that is providing the fire protection to the township and the township's rate. A township is required to appeal a second time for an increase under this subdivision if the township wants to further increase its rate. However, a township's rate may be increased to equal but may not exceed the rate that is used by the municipality. More than one (1) township served by the same municipality may use this appeal.

(11) Permission for a township to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the township has been required, for the three (3) consecutive years preceding the year for which the appeal under this subdivision is to become effective, to borrow funds under IC 36-6-6-14 to furnish fire protection for the township or a part of the township. However, the maximum increase in a township's levy that may be allowed under this subdivision is the least of the amounts borrowed under IC 36-6-6-14 during the preceding three (3) calendar years. A township may elect to phase in an approved increase in its levy under this subdivision over a period not to exceed three (3) years.

**C  
o  
p  
y**



A particular township may appeal to increase its levy under this section not more frequently than every fourth calendar year.

(12) Permission to a city having a population of more than twenty-nine thousand (29,000) but less than thirty-one thousand (31,000) to increase its levy in excess of the limitations established under section 3 of this chapter if:

(A) an appeal was granted to the city under this section to reallocate property tax replacement credits under IC 6-3.5-1.1 in 1998, 1999, and 2000; and

(B) the increase has been approved by the legislative body of the city, and the legislative body of the city has by resolution determined that the increase is necessary to pay normal operating expenses.

The maximum amount of the increase is equal to the amount of property tax replacement credits under IC 6-3.5-1.1 that the city petitioned under this section to have reallocated in 2001 for a purpose other than property tax relief.

SECTION 25. IC 6-1.1-18.5-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]:  
Sec. 17. (a) As used in this section, "levy excess" means the part of the ad valorem property tax levy actually collected by a civil taxing unit, for taxes first due and payable during a particular calendar year, that exceeds the civil taxing unit's ad valorem property tax levy, as approved by the department of local government finance under IC 6-1.1-17. **The term does not include delinquent ad valorem property taxes collected during a particular year that were assessed for an assessment date that precedes the assessment date for the current year in which the ad valorem property taxes are collected.**

(b) A civil taxing unit's levy excess is valid and may not be contested on the grounds that it exceeds the civil taxing unit's levy limit for the applicable calendar year. However, the civil taxing unit shall deposit, except as provided in subsection (h), its levy excess in a special fund to be known as the civil taxing unit's levy excess fund.

(c) The chief fiscal officer of a civil taxing unit may invest money in the civil taxing unit's levy excess fund in the same manner in which money in the civil taxing unit's general fund may be invested. However, any income derived from investment of the money shall be deposited in and becomes a part of the levy excess fund.

(d) The department of local government finance shall require a civil taxing unit to include the amount in its levy excess fund in the civil taxing unit's budget fixed under IC 6-1.1-17.

C  
o  
p  
y



(e) Except as provided by subsection (f), a civil taxing unit may not spend any money in its levy excess fund until the expenditure of the money has been included in a budget that has been approved by the department of local government finance under IC 6-1.1-17. For purposes of fixing its budget and for purposes of the ad valorem property tax levy limits imposed under this chapter, a civil taxing unit shall treat the money in its levy excess fund that the department of local government finance permits it to spend during a particular calendar year as part of its ad valorem property tax levy for that same calendar year.

(f) A civil taxing unit may transfer money from its levy excess fund to its other funds to reimburse those funds for amounts withheld from the civil taxing unit as a result of refunds paid under IC 6-1.1-26.

(g) Subject to the limitations imposed by this section, a civil taxing unit may use money in its levy excess fund for any lawful purpose for which money in any of its other funds may be used.

(h) If the amount that would, notwithstanding this subsection, be deposited in the levy excess fund of a civil taxing unit for a particular calendar year is less than one hundred dollars (\$100), no money shall be deposited in the levy excess fund of the unit for that year.

SECTION 26. IC 6-1.1-19-1.7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]:  
 Sec. 1.7. (a) As used in this section, "levy excess" means that portion of the ad valorem property tax levy actually collected by a school corporation, for taxes first due and payable during a particular calendar year, which exceeds the school corporation's total levy, as approved by the department of local government finance under IC 6-1.1-17, for those property taxes. **The term does not include delinquent ad valorem property taxes collected during a particular year that were assessed for an assessment date that precedes the assessment date for the current year in which the ad valorem property taxes are collected.**

(b) A school corporation's levy excess is valid, and the general fund portion of a school corporation's levy excess may not be contested on the grounds that it exceeds the school corporation's general fund levy limit for the applicable calendar year. However, the school corporation shall deposit, except as provided in subsection (h), its levy excess in a special fund to be known as the school corporation's levy excess fund.

(c) The chief fiscal officer of a school corporation may invest money in the school corporation's levy excess fund in the same manner in which money in the school corporation's general fund may be invested. However, any income derived from investment of the money shall be

C  
o  
p  
y



deposited in and become a part of the levy excess fund.

(d) The department of local government finance shall require a school corporation to include the amount in the school corporation's levy excess fund in the school corporation's budget fixed under IC 6-1.1-17.

(e) Except as provided in subsection (f), a school corporation may not spend any money in its levy excess fund until the expenditure of the money has been included in a budget that has been approved by the department of local government finance under IC 6-1.1-17. For purposes of fixing its budget and for purposes of the ad valorem property tax levy limits fixed under this chapter, a school corporation shall treat the money in its levy excess fund that the department of local government finance permits the school corporation to spend during a particular calendar year as part of the school corporation's ad valorem property tax levy for that same calendar year.

(f) A school corporation may transfer money from its levy excess fund to its other funds to reimburse those funds for amounts withheld from the school corporation as a result of refunds paid under IC 6-1.1-26.

(g) Subject to the limitations imposed by this section, a school corporation may use money in its levy excess fund for any lawful purpose for which money in any of its other funds may be used.

(h) If the amount that would be deposited in the levy excess fund of a school corporation for a particular calendar year is less than one hundred dollars (\$100), no money shall be deposited in the levy excess fund of the school corporation for that year.

SECTION 27. IC 6-1.1-20.8-2.5, AS AMENDED BY P.L.4-2005, SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 2.5. (a) A person that desires to claim the credit provided by section 1 of this chapter shall file a certified application, on forms prescribed by the department of local government finance, with the auditor of the county where the property for which the credit is claimed was located on the assessment date. A person that timely files a personal property return under IC 6-1.1-3-7(a) for an assessment year must file the application between March 1 and ~~May 15~~ **August 1** of that year in order to obtain the credit in the following year. A person that obtains a filing extension under IC 6-1.1-3-7(b) for an assessment year must file the application between March 1 and the extended due date for that year in order to obtain the credit in the following year.

(b) A taxpayer shall include on an application filed under this section all information that the department of local government finance

C  
o  
p  
y



requires to determine eligibility for the credit provided under this chapter.

(c) Compliance with this chapter does not exempt a person from compliance with IC 5-28-15-7.".

Delete page 30.

Page 31, delete lines 1 through 27, begin a new paragraph and insert:

"SECTION 28. IC 6-1.1-20.9-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. As used in this chapter:

(1) "Dwelling" means any of the following:

(A) Residential real property improvements which an individual uses as ~~his~~ **the individual's** residence, including a house or garage.

(B) A mobile home that is not assessed as real property that an individual uses as the individual's residence.

(C) A manufactured home that is not assessed as real property that an individual uses as the individual's residence.

**(D) Partially completed residential real property improvements, as defined by the department of local government finance, that an individual intends to use as the individual's residence, including a house or garage.**

(2) "Homestead" means an individual's principal place of residence, **or in the case of a dwelling (as described in subdivision (1)(D)) property that the individual intends to be the individual's principal place of residence,** which:

(A) is located in Indiana;

(B) the individual either owns or is buying under a contract, recorded in the county recorder's office, that provides that he is to pay the property taxes on the residence; and

(C) consists of a dwelling and the real estate, not exceeding one (1) acre, that immediately surrounds that dwelling.

SECTION 29. IC 6-1.1-20.9-2, AS AMENDED BY P.L.246-2005, SECTION 63, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) Except as otherwise provided in section 5 of this chapter, an individual who on March 1 of a particular year either owns or is buying a homestead under a contract that provides the individual is to pay the property taxes on the homestead is entitled each calendar year to a credit against the property taxes which the individual pays on the individual's homestead. However, only one (1) individual may receive a credit under this chapter for a particular homestead in a particular year.

C  
o  
p  
y



(b) **Except as provided in subsection (h)**, the amount of the credit to which the individual is entitled equals the product of:

- (1) the percentage prescribed in subsection (d); multiplied by
- (2) the amount of the individual's property tax liability, as that term is defined in IC 6-1.1-21-5, which is:

(A) attributable to the homestead during the particular calendar year; and

(B) determined after the application of the property tax replacement credit under IC 6-1.1-21.

(c) For purposes of determining that part of an individual's property tax liability that is attributable to the individual's homestead, all deductions from assessed valuation which the individual claims under IC 6-1.1-12 or IC 6-1.1-12.1 for property on which the individual's homestead is located must be applied first against the assessed value of the individual's homestead before those deductions are applied against any other property.

(d) The percentage of the credit referred to in subsection (b)(1) is as follows:

YEAR	PERCENTAGE OF THE CREDIT
1996	8%
1997	6%
1998 through 2002	10%
2003 and thereafter	20%

However, the property tax replacement fund board established under IC 6-1.1-21-10 shall increase the percentage of the credit provided in the schedule for any year if the budget agency determines that an increase is necessary to provide the minimum tax relief authorized under IC 6-1.1-21-2.5. If the board increases the percentage of the credit provided in the schedule for any year, the percentage of the credit for the immediately following year is the percentage provided in the schedule for that particular year, unless as provided in this subsection the board must increase the percentage of the credit provided in the schedule for that particular year. However, the percentage credit allowed in a particular county for a particular year shall be increased if on January 1 of a year an ordinance adopted by a county income tax council was in effect in the county which increased the homestead credit. The amount of the increase equals the amount designated in the ordinance.

(e) Before October 1 of each year, the assessor shall furnish to the county auditor the amount of the assessed valuation of each homestead for which a homestead credit has been properly filed under this chapter.



C  
o  
p  
y

(f) The county auditor shall apply the credit equally to each installment of taxes that the individual pays for the property.

(g) Notwithstanding the provisions of this chapter, a taxpayer other than an individual is entitled to the credit provided by this chapter if:

- (1) an individual uses the residence as the individual's principal place of residence;
- (2) the residence is located in Indiana;
- (3) the individual has a beneficial interest in the taxpayer;
- (4) the taxpayer either owns the residence or is buying it under a contract, recorded in the county recorder's office, that provides that the individual is to pay the property taxes on the residence; and
- (5) the residence consists of a single-family dwelling and the real estate, not exceeding one (1) acre, that immediately surrounds that dwelling.

**(h) With respect to a partially completed dwelling (as described in section 1(1)(d) of this chapter), the amount of the credit to which the individual is entitled is equal to the result of STEP THREE of the following formula:**

**STEP ONE: For the twelve (12) months preceding the assessment date on which the partially completed dwelling was reassessed, determine the number of months that followed the later of the following:**

- (A) The date on which construction of the partially completed dwelling began.**
- (B) The date on which the partially completed dwelling was transferred to the individual claiming the homestead credit.**

**STEP TWO: Determine the result of:**

- (A) the STEP ONE result; divided by**
- (B) twelve (12).**

**STEP THREE: Determine the product of:**

- (A) the amount the individual would be entitled to under subsection (b); multiplied by**
- (B) the STEP TWO amount."**

Page 31, line 35, delete "With" and insert "**Except as provided in subsection (e), with**".

Page 31, line 36, strike "twelve (12)" and insert "**fifteen (15)**".

Page 31, line 37, delete "June 11" and insert "**++ August 1**".

Page 32, between lines 28 and 29, begin a new paragraph and insert:  
**"(e) With respect to a partially completed dwelling (as described in section 1(1)(d) of this chapter), the certified statement referred**

**C  
O  
P  
Y**



to in subsection (a) must be filed before the later of the following:

(1) June 11 of the year before the first year for which the person wishes to obtain the credit for the homestead.

(2) A date in the year before the first year for which the person wishes to obtain the credit for the homestead that is not later than sixty (60) days after the date the assessing official notifies the taxpayer that the taxpayer's homestead has been reassessed to reflect the improvements being made to the homestead."

Page 32, delete lines 29 through 42.

Delete pages 33 through 34.

Page 35, delete lines 1 through 34.

Page 38, line 10, delete "For purposes of this section, a" and insert "A".

Page 38, strike lines 24 through 26.

Page 38, line 27, delete "Subject to subsection (c), the" and insert "The".

Page 38, line 27, strike "remainder of the taxes collected on the".

Page 38, strike lines 28 through 29.

Page 38, line 30, delete "(c)" and insert "(b)".

Page 38, line 34, delete "net".

Page 38, line 36, delete "." and insert **"after deducting the amount of any property tax credits that reduce the owner's property tax liability for the undervalued or omitted property."**

Page 38, line 38, after "fund" insert **"without appropriation"**.

Page 39, line 3, delete "(c) (d)" and insert "(c)".

Page 41, between lines 1 and 2, begin a new paragraph and insert:  
**"SECTION 33. IC 6-1.1-39-5, AS AMENDED BY P.L.4-2005, SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 5. (a) A declaratory ordinance adopted under section 2 of this chapter and confirmed under section 3 of this chapter must include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. The allocation provision must apply to the entire economic development district. The allocation provisions must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the economic development district be allocated and distributed as follows:**

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date

C  
o  
p  
y



with respect to which the allocation and distribution is made;  
or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units. However, if the effective date of the allocation provision of a declaratory ordinance is after March 1, 1985, and before January 1, 1986, and if an improvement to property was partially completed on March 1, 1985, the unit may provide in the declaratory ordinance that the taxes attributable to the assessed value of the property as finally determined for March 1, 1984, shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) Except as otherwise provided in this section, part or all of the property tax proceeds in excess of those described in subdivision (1), as specified in the declaratory ordinance, shall be allocated to the unit for the economic development district and, when collected, paid into a special fund established by the unit for that economic development district that may be used only to pay the principal of and interest on obligations owed by the unit under IC 4-4-8 (before its repeal) or IC 5-28-9 for the financing of industrial development programs in, or serving, that economic development district. The amount not paid into the special fund shall be paid to the respective units in the manner prescribed by subdivision (1).

(3) When the money in the fund is sufficient to pay all outstanding principal of and interest (to the earliest date on which the obligations can be redeemed) on obligations owed by the unit under IC 4-4-8 (before its repeal) or IC 5-28-9 for the financing of industrial development programs in, or serving, that economic development district, money in the special fund in excess of that amount shall be paid to the respective taxing units in the manner prescribed by subdivision (1).

(b) Property tax proceeds allocable to the economic development district under subsection (a)(2) must, subject to subsection (a)(3), be irrevocably pledged by the unit for payment as set forth in subsection (a)(2).

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the economic development district that is annexed by any taxing unit after the effective date of the allocation provision of the declaratory ordinance is the lesser of:

(1) the assessed value of the property for the assessment date with

**C**  
**O**  
**P**  
**Y**



respect to which the allocation and distribution is made; or

(2) the base assessed value.

(d) Notwithstanding any other law, each assessor shall, upon petition of the fiscal body, reassess the taxable property situated upon or in, or added to, the economic development district effective on the next assessment date after the petition.

(e) Notwithstanding any other law, the assessed value of all taxable property in the economic development district, for purposes of tax limitation, property tax replacement (except as provided in IC 6-1.1-21-3(c), IC 6-1.1-21-4(a)(3), and IC 6-1.1-21-5(c)), and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

(1) the assessed value of the property as valued without regard to this section; or

(2) the base assessed value.

(f) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the district under this section. **After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the district under this section.** However, the **adjustment adjustments under this subsection** may not include the effect of property tax abatements under IC 6-1.1-12.1.

(g) As used in this section, "property taxes" means:

(1) taxes imposed under this article on real property; and

(2) any part of the taxes imposed under this article on depreciable personal property that the unit has by ordinance allocated to the economic development district. However, the ordinance may not limit the allocation to taxes on depreciable personal property with any particular useful life or lives.

If a unit had, by ordinance adopted before May 8, 1987, allocated to an economic development district property taxes imposed under IC 6-1.1 on depreciable personal property that has a useful life in excess of eight (8) years, the ordinance continues in effect until an ordinance is adopted by the unit under subdivision (2).

(h) As used in this section, "base assessed value" means:

(1) the net assessed value of all the property as finally determined

C  
o  
p  
y



for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (f); plus

(2) to the extent that it is not included in subdivision (1), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

Subdivision (2) applies only to economic development districts established after June 30, 1997, and to additional areas established after June 30, 1997."

Page 42, between lines 19 and 20, begin a new paragraph and insert:

"SECTION 34. IC 6-1.1-42-27 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]:

Sec. 27. (a) A property owner who desires to obtain the deduction provided by section 24 of this chapter must file a certified deduction application, on forms prescribed by the department of local government finance, with the auditor of the county in which the property is located. Except as otherwise provided in subsection (b) or (e), the deduction application must be filed before ~~May 10~~ **August 1** of the year in which the addition to assessed valuation is made.

(b) If notice of the addition to assessed valuation or new assessment for any year is not given to the property owner before ~~April 10~~ **July 1** of that year, the deduction application required by this section may be filed not later than thirty (30) days after the date such a notice is mailed to the property owner at the address shown on the records of the township assessor.

(c) The certified deduction application required by this section must contain the following information:

- (1) The name of each owner of the property.
- (2) A certificate of completion of a voluntary remediation under IC 13-25-5-16.
- (3) Proof that each owner who is applying for the deduction:
  - (A) has never had an ownership interest in an entity that contributed; and
  - (B) has not contributed;
 a contaminant (as defined in IC 13-11-2-42) that is the subject of the voluntary remediation, as determined under the written standards adopted by the department of environmental management.
- (4) Proof that the deduction was approved by the appropriate designating body.

**C  
o  
p  
y**



(5) A description of the property for which a deduction is claimed in sufficient detail to afford identification.

(6) The assessed value of the improvements before remediation and redevelopment.

(7) The increase in the assessed value of improvements resulting from remediation and redevelopment.

(8) The amount of the deduction claimed for the first year of the deduction.

(d) A certified deduction application filed under subsection (a) or (b) is applicable for the year in which the addition to assessed value or assessment of property is made and each subsequent year to which the deduction applies under the resolution adopted under section 24 of this chapter.

(e) A property owner who desires to obtain the deduction provided by section 24 of this chapter but who has failed to file a deduction application within the dates prescribed in subsection (a) or (b) may file a deduction application between March 1 and ~~May 10~~ **August 1** of a subsequent year which is applicable for the year filed and the subsequent years without any additional certified deduction application being filed for the amounts of the deduction which would be applicable to such years under this chapter if such a deduction application had been filed in accordance with subsection (a) or (b).

(f) On verification of the correctness of a certified deduction application by the assessor of the township in which the property is located, the county auditor shall, if the property is covered by a resolution adopted under section 24 of this chapter, make the appropriate deduction.

(g) The amount and period of the deduction provided for property by section 24 of this chapter are not affected by a change in the ownership of the property if the new owner of the property:

(1) is a person that:

(A) has never had an ownership interest in an entity that contributed; and

(B) has not contributed;

a contaminant (as defined in IC 13-11-2-42) that is the subject of the voluntary remediation, as determined under the written standards adopted by the department of environmental management;

(2) continues to use the property in compliance with any standards established under sections 7 and 23 of this chapter; and

(3) files an application in the manner provided by subsection (e).

(h) The township assessor shall include a notice of the deadlines for

**C  
O  
P  
Y**



filing a deduction application under subsections (a) and (b) with each notice to a property owner of an addition to assessed value or of a new assessment."

Page 44, between lines 40 and 41, begin a new paragraph and insert:

"SECTION 38. IC 8-22-3.5-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 11. (a) The state board of accounts and the department of local government finance shall make the rules and prescribe the forms and procedures that the state board of accounts and department consider appropriate for the implementation of this chapter.

(b) After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value (as defined in section 9 of this chapter) one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the airport development zone's special funds under section 9 of this chapter.

**(c) After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value (as defined in section 9 of this chapter) to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the airport development zone's special funds under section 9 of this chapter.**

SECTION 39. IC 21-2-21-1.8, AS ADDED BY P.L.214-2005, SECTION 62, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1.8. (a) For purposes of this section, "retirement or severance liability" means the payments anticipated to be required to be made to employees of a school corporation upon or after termination of the employment of the employees by the school corporation under an existing or previous employment agreement.

(b) This section applies to each school corporation that:

- (1) did not issue bonds under IC 20-5-4-1.7 before its repeal; or
- (2) issued bonds under IC 20-5-4-1.7:

**(A) before April 14, 2003; or**

**(B) after April 13, 2003, if an order approving the issuance of the bonds was issued by the department of local government finance before April 14, 2003.**

(c) In addition to the purposes set forth in section 1 of this chapter, a school corporation described in subsection (b) may issue bonds to implement solutions to contractual retirement or severance liability. The issuance of bonds for this purpose is subject to the following conditions:

- (1) The school corporation may issue bonds under this section

C  
o  
p  
y



only one (1) time.

(2) ~~The A~~ school corporation **described in subsection (b)(1) or (b)(2)(A)** must issue the bonds before July 1, 2006. **A school corporation described in subsection (b)(2)(B) must file a petition with the department of local government finance under IC 6-1.1-19-8 requesting approval to incur bond indebtedness under this section before July 1, 2006.**

(3) The solution to which the bonds are contributing must be reasonably expected to reduce the school corporation's unfunded contractual liability for retirement or severance payments as it existed on June 30, 2001.

(4) The amount of the bonds that may be issued for the purpose described in this section may not exceed:

(A) two percent (2%) of the true tax value of property in the school corporation, for a school corporation that did not issue bonds under IC 20-5-4-1.7 before its repeal; or

(B) the remainder of:

(i) two percent (2%) of the true tax value of property in the school corporation as of the date that the school corporation issued bonds under IC 20-5-4-1.7; minus

(ii) the amount of bonds that the school corporation issued under IC 20-5-4-1.7;

for a school corporation that issued bonds under IC 20-5-4-1.7 ~~before April 14, 2003~~; **as described in subsection (b)(2).**

(5) Each year that a debt service levy is needed under this section, the school corporation shall reduce the total property tax levy for the school corporation's transportation, school bus replacement, capital projects, or art association and historical society funds in an amount equal to the property tax levy needed for the debt service under this section. The property tax rate for each of these funds shall be reduced each year until the bonds are retired.

(6) The school corporation shall establish a separate debt service fund for repayment of the bonds issued under this section.

(d) Bonds issued for the purpose described in this section shall be issued in the same manner as other bonds of the school corporation.

(e) Bonds issued under this section are not subject to the petition and remonstrance process under IC 6-1.1-20 or to the limitations contained in IC 36-1-15.

SECTION 40. IC 36-7-14-39, AS AMENDED BY P.L.216-2005, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 39. (a) As used in this section:

C  
o  
p  
y



"Allocation area" means that part of a redevelopment project area to which an allocation provision of a declaratory resolution adopted under section 15 of this chapter refers for purposes of distribution and allocation of property taxes.

"Base assessed value" means the following:

(1) If an allocation provision is adopted after June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing an economic development area:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

(2) If an allocation provision is adopted after June 30, 1997, in a declaratory resolution or an amendment to a declaratory resolution establishing a redevelopment project area:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

(3) If:

(A) an allocation provision adopted before June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing a redevelopment project area expires after June 30, 1997; and

(B) after June 30, 1997, a new allocation provision is included in an amendment to the declaratory resolution;

the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision adopted after June 30, 1997, as adjusted under subsection (h).

(4) Except as provided in subdivision (5), for all other allocation areas, the net assessed value of all the property as finally

C  
o  
p  
y



determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h).

(5) If an allocation area established in an economic development area before July 1, 1995, is expanded after June 30, 1995, the definition in subdivision (1) applies to the expanded part of the area added after June 30, 1995.

(6) If an allocation area established in a redevelopment project area before July 1, 1997, is expanded after June 30, 1997, the definition in subdivision (2) applies to the expanded part of the area added after June 30, 1997.

Except as provided in section 39.3 of this chapter, "property taxes" means taxes imposed under IC 6-1.1 on real property. However, upon approval by a resolution of the redevelopment commission adopted before June 1, 1987, "property taxes" also includes taxes imposed under IC 6-1.1 on depreciable personal property. If a redevelopment commission adopted before June 1, 1987, a resolution to include within the definition of property taxes taxes imposed under IC 6-1.1 on depreciable personal property that has a useful life in excess of eight (8) years, the commission may by resolution determine the percentage of taxes imposed under IC 6-1.1 on all depreciable personal property that will be included within the definition of property taxes. However, the percentage included must not exceed twenty-five percent (25%) of the taxes imposed under IC 6-1.1 on all depreciable personal property.

(b) A declaratory resolution adopted under section 15 of this chapter on or before the allocation deadline determined under subsection (i) may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A declaratory resolution previously adopted may include an allocation provision by the amendment of that declaratory resolution on or before the allocation deadline determined under subsection (i) in accordance with the procedures required for its original adoption. A declaratory resolution or an amendment that establishes an allocation provision after June 30, 1995, must specify an expiration date for the allocation provision that may not be more than thirty (30) years after the date on which the allocation provision is established. However, if bonds or other obligations that were scheduled when issued to mature before the specified expiration date and that are payable only from allocated tax proceeds with respect to the allocation area remain outstanding as of the expiration date, the allocation provision does not expire until all of the bonds or other obligations are no longer outstanding. The allocation provision may apply to all or part of the

**C  
O  
P  
Y**



redevelopment project area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made;

or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivision (1) shall be allocated to the redevelopment district and, when collected, paid into an allocation fund for that allocation area that may be used by the redevelopment district only to do one (1) or more of the following:

(A) Pay the principal of and interest on any obligations payable solely from allocated tax proceeds which are incurred by the redevelopment district for the purpose of financing or refinancing the redevelopment of that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area.

(C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the special tax levied under section 27 of this chapter.

(D) Pay the principal of and interest on bonds issued by the unit to pay for local public improvements in or serving that allocation area.

(E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in that allocation area.

(F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 25.2 of this chapter.

(G) Reimburse the unit for expenditures made by it for local public improvements (which include buildings, parking facilities, and other items described in section 25.1(a) of this chapter) in or serving that allocation area.

(H) Reimburse the unit for rentals paid by it for a building or

C  
o  
p  
y



parking facility in or serving that allocation area under any lease entered into under IC 36-1-10.

(I) Pay all or a part of a property tax replacement credit to taxpayers in an allocation area as determined by the redevelopment commission. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

- (i) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by
- (ii) the STEP ONE sum.

STEP THREE: Multiply:

- (i) the STEP TWO quotient; times
- (ii) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in the taxing district that have been allocated during that year to an allocation fund under this section.

If not all the taxpayers in an allocation area receive the credit in full, each taxpayer in the allocation area is entitled to receive the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under section 39.5 of this chapter in the same year.

(J) Pay expenses incurred by the redevelopment commission for local public improvements that are in the allocation area or serving the allocation area. Public improvements include buildings, parking facilities, and other items described in section 25.1(a) of this chapter.

(K) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

- (i) in the allocation area; and
- (ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in

**C**  
**O**  
**P**  
**Y**



any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.

The allocation fund may not be used for operating expenses of the commission.

(3) Except as provided in subsection (g), before July 15 of each year the commission shall do the following:

(A) Determine the amount, if any, by which the base assessed value when multiplied by the estimated tax rate of the allocation area will exceed the amount of assessed value needed to produce the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2).

(B) Notify the county auditor of the amount, if any, of the amount of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in subdivision (1). The commission may not authorize an allocation of assessed value to the respective taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in subdivision (2) or lessors under section 25.3 of this chapter.

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by any taxing unit after the effective date of the allocation provision of the declaratory resolution is the lesser of:

- (1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or
- (2) the base assessed value.

(d) Property tax proceeds allocable to the redevelopment district under subsection (b)(2) may, subject to subsection (b)(3), be irrevocably pledged by the redevelopment district for payment as set forth in subsection (b)(2).

(e) Notwithstanding any other law, each assessor shall, upon petition of the redevelopment commission, reassess the taxable property situated upon or in, or added to, the allocation area, effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable

**C  
O  
P  
Y**



property in the allocation area, for purposes of tax limitation, property tax replacement, and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

- (1) the assessed value of the property as valued without regard to this section; or
- (2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish an allocation fund for the purposes specified in subsection (b)(2) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund any amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(2) for the year. The amount sufficient for purposes specified in subsection (b)(2) for the year shall be determined based on the pro rata portion of such current property tax proceeds from the part of the enterprise zone that is within the allocation area as compared to all such current property tax proceeds derived from the allocation area. A unit that has no obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) in the fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone. The unit that creates the special zone fund shall use the fund (based on the recommendations of the urban enterprise association) for programs in job training, job enrichment, and basic skill development that are designed to benefit residents and employers in the enterprise zone or other purposes specified in subsection (b)(2), except that where reference is made in subsection (b)(2) to allocation area it shall refer for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone. Those programs shall reserve at least one-half (1/2) of their enrollment in any session for residents of the enterprise zone.

(h) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment under IC 6-1.1-4, the department of

**C  
O  
P  
Y**



local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the redevelopment district under this section. **After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the redevelopment district under this section.** However, the ~~adjustment~~ **adjustments under this subsection** may not include the effect of property tax abatements under IC 6-1.1-12.1, and ~~the adjustment these~~ **adjustments** may not produce less property tax proceeds allocable to the redevelopment district under subsection (b)(2) than would otherwise have been received if the general reassessment **or annual adjustment** had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

(i) The allocation deadline referred to in subsection (b) is determined in the following manner:

- (1) The initial allocation deadline is December 31, 2011.
- (2) Subject to subdivision (3), the initial allocation deadline and subsequent allocation deadlines are automatically extended in increments of five (5) years, so that allocation deadlines subsequent to the initial allocation deadline fall on December 31, 2016, and December 31 of each fifth year thereafter.
- (3) At least one (1) year before the date of an allocation deadline determined under subdivision (2), the general assembly may enact a law that:
  - (A) terminates the automatic extension of allocation deadlines under subdivision (2); and
  - (B) specifically designates a particular date as the final allocation deadline.

SECTION 41. IC 36-7-15.1-26, AS AMENDED BY P.L.216-2005, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 26. (a) As used in this section:

"Allocation area" means that part of a redevelopment project area to which an allocation provision of a resolution adopted under section 8 of this chapter refers for purposes of distribution and allocation of property taxes.

"Base assessed value" means the following:

- (1) If an allocation provision is adopted after June 30, 1995, in a declaratory resolution or an amendment to a declaratory

C  
o  
p  
y



resolution establishing an economic development area:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

(2) If an allocation provision is adopted after June 30, 1997, in a declaratory resolution or an amendment to a declaratory resolution establishing a redevelopment project area:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

(3) If:

(A) an allocation provision adopted before June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing a redevelopment project area expires after June 30, 1997; and

(B) after June 30, 1997, a new allocation provision is included in an amendment to the declaratory resolution;

the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision adopted after June 30, 1997, as adjusted under subsection (h).

(4) Except as provided in subdivision (5), for all other allocation areas, the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h).

(5) If an allocation area established in an economic development area before July 1, 1995, is expanded after June 30, 1995, the definition in subdivision (1) applies to the expanded part of the area added after June 30, 1995.

**C  
o  
p  
y**



- (6) If an allocation area established in a redevelopment project area before July 1, 1997, is expanded after June 30, 1997, the definition in subdivision (2) applies to the expanded part of the area added after June 30, 1997.

Except as provided in section 26.2 of this chapter, "property taxes" means taxes imposed under IC 6-1.1 on real property. However, upon approval by a resolution of the redevelopment commission adopted before June 1, 1987, "property taxes" also includes taxes imposed under IC 6-1.1 on depreciable personal property. If a redevelopment commission adopted before June 1, 1987, a resolution to include within the definition of property taxes taxes imposed under IC 6-1.1 on depreciable personal property that has a useful life in excess of eight (8) years, the commission may by resolution determine the percentage of taxes imposed under IC 6-1.1 on all depreciable personal property that will be included within the definition of property taxes. However, the percentage included must not exceed twenty-five percent (25%) of the taxes imposed under IC 6-1.1 on all depreciable personal property.

(b) A resolution adopted under section 8 of this chapter on or before the allocation deadline determined under subsection (i) may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A resolution previously adopted may include an allocation provision by the amendment of that resolution on or before the allocation deadline determined under subsection (i) in accordance with the procedures required for its original adoption. A declaratory resolution or an amendment that establishes an allocation provision after June 30, 1995, must specify an expiration date for the allocation provision that may not be more than thirty (30) years after the date on which the allocation provision is established. However, if bonds or other obligations that were scheduled when issued to mature before the specified expiration date and that are payable only from allocated tax proceeds with respect to the allocation area remain outstanding as of the expiration date, the allocation provision does not expire until all of the bonds or other obligations are no longer outstanding. The allocation provision may apply to all or part of the redevelopment project area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

- (1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:
- (A) the assessed value of the property for the assessment date

C  
o  
p  
y



with respect to which the allocation and distribution is made;  
or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivision (1) shall be allocated to the redevelopment district and, when collected, paid into a special fund for that allocation area that may be used by the redevelopment district only to do one (1) or more of the following:

(A) Pay the principal of and interest on any obligations payable solely from allocated tax proceeds that are incurred by the redevelopment district for the purpose of financing or refinancing the redevelopment of that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area.

(C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the special tax levied under section 19 of this chapter.

(D) Pay the principal of and interest on bonds issued by the consolidated city to pay for local public improvements in that allocation area.

(E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in that allocation area.

(F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 17.1 of this chapter.

(G) Reimburse the consolidated city for expenditures for local public improvements (which include buildings, parking facilities, and other items set forth in section 17 of this chapter) in that allocation area.

(H) Reimburse the unit for rentals paid by it for a building or parking facility in that allocation area under any lease entered into under IC 36-1-10.

(I) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local

**C**  
**O**  
**P**  
**Y**



government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.

The special fund may not be used for operating expenses of the commission.

(3) Before July 15 of each year, the commission shall do the following:

(A) Determine the amount, if any, by which the base assessed value when multiplied by the estimated tax rate of the allocated area will exceed the amount of assessed value needed to provide the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2) and subsection (g).

(B) Notify the county auditor of the amount, if any, of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

The commission may not authorize an allocation to the respective taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in subdivision (2).

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by any taxing unit after the effective date of the allocation provision of the resolution is the lesser of:

- (1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or
- (2) the base assessed value.

(d) Property tax proceeds allocable to the redevelopment district under subsection (b)(2) may, subject to subsection (b)(3), be irrevocably pledged by the redevelopment district for payment as set forth in subsection (b)(2).

(e) Notwithstanding any other law, each assessor shall, upon petition of the commission, reassess the taxable property situated upon or in, or added to, the allocation area, effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable

C  
o  
p  
y



property in the allocation area, for purposes of tax limitation, property tax replacement, and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

- (1) the assessed value of the property as valued without regard to this section; or
- (2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish an allocation fund for the purposes specified in subsection (b)(2) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund the amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(2) for the year. A unit that has no obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) in the fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone. The unit that creates the special zone fund shall use the fund, based on the recommendations of the urban enterprise association, for one (1) or more of the following purposes:

- (1) To pay for programs in job training, job enrichment, and basic skill development designed to benefit residents and employers in the enterprise zone. The programs must reserve at least one-half (1/2) of the enrollment in any session for residents of the enterprise zone.
- (2) To make loans and grants for the purpose of stimulating business activity in the enterprise zone or providing employment for enterprise zone residents in the enterprise zone. These loans and grants may be made to the following:
  - (A) Businesses operating in the enterprise zone.
  - (B) Businesses that will move their operations to the enterprise zone if such a loan or grant is made.
- (3) To provide funds to carry out other purposes specified in subsection (b)(2). However, where reference is made in subsection (b)(2) to the allocation area, the reference refers for

**C  
O  
P  
Y**



purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone.

(h) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the redevelopment district under this section. **After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the redevelopment district under this section.** However, the ~~adjustment~~ **adjustments under this subsection** may not include the effect of property tax abatements under IC 6-1.1-12.1, and ~~the adjustment~~ **these adjustments** may not produce less property tax proceeds allocable to the redevelopment district under subsection (b)(2) than would otherwise have been received if the general reassessment **or annual adjustment** had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

(i) The allocation deadline referred to in subsection (b) is determined in the following manner:

- (1) The initial allocation deadline is December 31, 2011.
- (2) Subject to subdivision (3), the initial allocation deadline and subsequent allocation deadlines are automatically extended in increments of five (5) years, so that allocation deadlines subsequent to the initial allocation deadline fall on December 31, 2016, and December 31 of each fifth year thereafter.
- (3) At least one (1) year before the date of an allocation deadline determined under subdivision (2), the general assembly may enact a law that:
  - (A) terminates the automatic extension of allocation deadlines under subdivision (2); and
  - (B) specifically designates a particular date as the final allocation deadline.

SECTION 42. IC 36-7-15.1-53, AS AMENDED BY P.L.216-2005, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 53. (a) As used in this section:

"Allocation area" means that part of a redevelopment project area

C  
o  
p  
y



to which an allocation provision of a resolution adopted under section 40 of this chapter refers for purposes of distribution and allocation of property taxes.

"Base assessed value" means:

- (1) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus
- (2) to the extent that it is not included in subdivision (1), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

Except as provided in section 55 of this chapter, "property taxes" means taxes imposed under IC 6-1.1 on real property.

(b) A resolution adopted under section 40 of this chapter on or before the allocation deadline determined under subsection (i) may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A resolution previously adopted may include an allocation provision by the amendment of that resolution on or before the allocation deadline determined under subsection (i) in accordance with the procedures required for its original adoption. A declaratory resolution or an amendment that establishes an allocation provision must be approved by resolution of the legislative body of the excluded city and must specify an expiration date for the allocation provision that may not be more than thirty (30) years after the date on which the allocation provision is established. However, if bonds or other obligations that were scheduled when issued to mature before the specified expiration date and that are payable only from allocated tax proceeds with respect to the allocation area remain outstanding as of the expiration date, the allocation provision does not expire until all of the bonds or other obligations are no longer outstanding. The allocation provision may apply to all or part of the redevelopment project area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

- (1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:
  - (A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made;

**C  
O  
P  
Y**



or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivision (1) shall be allocated to the redevelopment district and, when collected, paid into a special fund for that allocation area that may be used by the redevelopment district only to do one (1) or more of the following:

(A) Pay the principal of and interest on any obligations payable solely from allocated tax proceeds that are incurred by the redevelopment district for the purpose of financing or refinancing the redevelopment of that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area.

(C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the special tax levied under section 50 of this chapter.

(D) Pay the principal of and interest on bonds issued by the excluded city to pay for local public improvements in that allocation area.

(E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in that allocation area.

(F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 46 of this chapter.

(G) Reimburse the excluded city for expenditures for local public improvements (which include buildings, park facilities, and other items set forth in section 45 of this chapter) in that allocation area.

(H) Reimburse the unit for rentals paid by it for a building or parking facility in that allocation area under any lease entered into under IC 36-1-10.

(I) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

**C  
O  
P  
Y**



However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.

The special fund may not be used for operating expenses of the commission.

(3) Before July 15 of each year, the commission shall do the following:

(A) Determine the amount, if any, by which property taxes payable to the allocation fund in the following year will exceed the amount of assessed value needed to provide the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2) and subsection (g).

(B) Notify the county auditor of the amount, if any, of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

The commission may not authorize an allocation to the respective taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in subdivision (2).

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by any taxing unit after the effective date of the allocation provision of the resolution is the lesser of:

- (1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or
- (2) the base assessed value.

(d) Property tax proceeds allocable to the redevelopment district under subsection (b)(2) may, subject to subsection (b)(3), be irrevocably pledged by the redevelopment district for payment as set forth in subsection (b)(2).

(e) Notwithstanding any other law, each assessor shall, upon petition of the commission, reassess the taxable property situated upon or in, or added to, the allocation area, effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property

C  
o  
p  
y



tax replacement, and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located, is the lesser of:

- (1) the assessed value of the property as valued without regard to this section; or
- (2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish an allocation fund for the purposes specified in subsection (b)(2) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund the amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(2) for the year. A unit that has no obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) in the fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone. The unit that creates the special zone fund shall use the fund, based on the recommendations of the urban enterprise association, for one (1) or more of the following purposes:

- (1) To pay for programs in job training, job enrichment, and basic skill development designed to benefit residents and employers in the enterprise zone. The programs must reserve at least one-half (1/2) of the enrollment in any session for residents of the enterprise zone.
- (2) To make loans and grants for the purpose of stimulating business activity in the enterprise zone or providing employment for enterprise zone residents in an enterprise zone. These loans and grants may be made to the following:
  - (A) Businesses operating in the enterprise zone.
  - (B) Businesses that will move their operations to the enterprise zone if such a loan or grant is made.
- (3) To provide funds to carry out other purposes specified in subsection (b)(2). However, where reference is made in subsection (b)(2) to the allocation area, the reference refers, for purposes of payments from the special zone fund, only to that part

**C  
O  
P  
Y**



of the allocation area that is also located in the enterprise zone.

(h) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the redevelopment district under this section. **After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the redevelopment district under this section.** However, the ~~adjustment~~ **adjustments under this subsection** may not include the effect of property tax abatements under IC 6-1.1-12.1, and ~~the adjustment~~ **these adjustments** may not produce less property tax proceeds allocable to the redevelopment district under subsection (b)(2) than would otherwise have been received if the general reassessment **or annual adjustment** had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

(i) The allocation deadline referred to in subsection (b) is determined in the following manner:

- (1) The initial allocation deadline is December 31, 2011.
- (2) Subject to subdivision (3), the initial allocation deadline and subsequent allocation deadlines are automatically extended in increments of five (5) years, so that allocation deadlines subsequent to the initial allocation deadline fall on December 31, 2016, and December 31 of each fifth year thereafter.
- (3) At least one (1) year before the date of an allocation deadline determined under subdivision (2), the general assembly may enact a law that:
  - (A) terminates the automatic extension of allocation deadlines under subdivision (2); and
  - (B) specifically designates a particular date as the final allocation deadline.

SECTION 43. IC 36-7-30-25, AS AMENDED BY P.L.4-2005, SECTION 141, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 25. (a) The following definitions apply throughout this section:

- (1) "Allocation area" means that part of a military base reuse area to which an allocation provision of a declaratory resolution

C  
o  
p  
y



adopted under section 10 of this chapter refers for purposes of distribution and allocation of property taxes.

(2) "Base assessed value" means:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the adoption date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A) or (C), the net assessed value of any and all parcels or classes of parcels identified as part of the base assessed value in the declaratory resolution or an amendment thereto, as finally determined for any subsequent assessment date; plus

(C) to the extent that it is not included in clause (A) or (B), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

Clause (C) applies only to allocation areas established in a military reuse area after June 30, 1997, and to the part of an allocation area that was established before June 30, 1997, and that is added to an existing allocation area after June 30, 1997.

(3) "Property taxes" means taxes imposed under IC 6-1.1 on real property.

(b) A declaratory resolution adopted under section 10 of this chapter before the date set forth in IC 36-7-14-39(b) pertaining to declaratory resolutions adopted under IC 36-7-14-15 may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A declaratory resolution previously adopted may include an allocation provision by the amendment of that declaratory resolution in accordance with the procedures set forth in section 13 of this chapter. The allocation provision may apply to all or part of the military base reuse area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value;

C  
o  
p  
y



shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivision (1) shall be allocated to the military base reuse district and, when collected, paid into an allocation fund for that allocation area that may be used by the military base reuse district and only to do one (1) or more of the following:

(A) Pay the principal of and interest and redemption premium on any obligations incurred by the military base reuse district or any other entity for the purpose of financing or refinancing military base reuse activities in or directly serving or benefiting that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area or from other revenues of the reuse authority, including lease rental revenues.

(C) Make payments on leases payable solely or in part from allocated tax proceeds in that allocation area.

(D) Reimburse any other governmental body for expenditures made for local public improvements (or structures) in or directly serving or benefiting that allocation area.

(E) Pay all or a part of a property tax replacement credit to taxpayers in an allocation area as determined by the reuse authority. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

- (i) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by
- (ii) the STEP ONE sum.

STEP THREE: Multiply:

- (i) the STEP TWO quotient; times
- (ii) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in the taxing district that have been

**C  
o  
p  
y**



allocated during that year to an allocation fund under this section.

If not all the taxpayers in an allocation area receive the credit in full, each taxpayer in the allocation area is entitled to receive the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under section 27 of this chapter in the same year.

(F) Pay expenses incurred by the reuse authority for local public improvements or structures that were in the allocation area or directly serving or benefiting the allocation area.

(G) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

- (i) in the allocation area; and
- (ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made not more than three (3) years after the date on which the investments that are the basis for the increment financing are made.

The allocation fund may not be used for operating expenses of the reuse authority.

(3) Except as provided in subsection (g), before July 15 of each year the reuse authority shall do the following:

(A) Determine the amount, if any, by which property taxes payable to the allocation fund in the following year will exceed the amount of property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2).

(B) Notify the county auditor of the amount, if any, of the amount of excess property taxes that the reuse authority has determined may be paid to the respective taxing units in the manner prescribed in subdivision (1). The reuse authority may not authorize a payment to the respective taxing units under this subdivision if to do so would endanger the interest of the holders of bonds described in subdivision (2) or lessors under section 19 of this chapter. Property taxes received by a taxing

**C  
o  
p  
y**



unit under this subdivision are eligible for the property tax replacement credit provided under IC 6-1.1-21.

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by a taxing unit after the effective date of the allocation provision of the declaratory resolution is the lesser of:

- (1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or
- (2) the base assessed value.

(d) Property tax proceeds allocable to the military base reuse district under subsection (b)(2) may, subject to subsection (b)(3), be irrevocably pledged by the military base reuse district for payment as set forth in subsection (b)(2).

(e) Notwithstanding any other law, each assessor shall, upon petition of the reuse authority, reassess the taxable property situated upon or in or added to the allocation area, effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and the making of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

- (1) the assessed value of the property as valued without regard to this section; or
- (2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish an allocation fund for the purposes specified in subsection (b)(2) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund any amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(2) for the year. The amount sufficient for purposes specified in subsection (b)(2) for the year shall be determined based on the pro rata part of such current property tax proceeds from the part of the enterprise zone that is within the allocation area as compared to all such current property tax proceeds derived from the allocation area. A unit that does not have obligations, bonds, or leases payable from allocated tax proceeds under

**C  
O  
P  
Y**



subsection (b)(2) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) that are derived from property in the enterprise zone in the fund. The unit that creates the special zone fund shall use the fund (based on the recommendations of the urban enterprise association) for programs in job training, job enrichment, and basic skill development that are designed to benefit residents and employers in the enterprise zone or other purposes specified in subsection (b)(2), except that where reference is made in subsection (b)(2) to allocation area it shall refer for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone. The programs shall reserve at least one-half (1/2) of their enrollment in any session for residents of the enterprise zone.

(h) After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the military base reuse district under this section. **After each annual adjustment under IC 6-1.1-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the military base reuse district under this section.** However, the ~~adjustment~~ **adjustments under this subsection** may not include the effect of property tax abatements under IC 6-1.1-12.1, and ~~the adjustment these~~ **adjustments** may not produce less property tax proceeds allocable to the military base reuse district under subsection (b)(2) than would otherwise have been received if the general reassessment **or annual adjustment** had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

SECTION 44. IC 36-7-30.5-30, AS ADDED BY P.L.203-2005, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 30. (a) The following definitions apply throughout this section:

- (1) "Allocation area" means that part of a military base development area to which an allocation provision of a declaratory resolution adopted under section 16 of this chapter refers for purposes of distribution and allocation of property taxes.
- (2) "Base assessed value" means:
  - (A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the adoption date of the allocation provision of the declaratory

C  
o  
p  
y



resolution, as adjusted under subsection (h); plus  
 (B) to the extent that it is not included in clause (A) or (C), the net assessed value of any and all parcels or classes of parcels identified as part of the base assessed value in the declaratory resolution or an amendment to the declaratory resolution, as finally determined for any subsequent assessment date; plus  
 (C) to the extent that it is not included in clause (A) or (B), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

(3) "Property taxes" means taxes imposed under IC 6-1.1 on real property.

(b) A declaratory resolution adopted under section 16 of this chapter before the date set forth in IC 36-7-14-39(b) pertaining to declaratory resolutions adopted under IC 36-7-14-15 may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A declaratory resolution previously adopted may include an allocation provision by the amendment of that declaratory resolution in accordance with the procedures set forth in section 18 of this chapter. The allocation provision may apply to all or part of the military base development area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made;  
 or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivision (1) shall be allocated to the development authority and, when collected, paid into an allocation fund for that allocation area that may be used by the development authority and only to do one (1) or more of the following:

(A) Pay the principal of and interest and redemption premium on any obligations incurred by the development authority or

**C  
O  
P  
Y**



any other entity for the purpose of financing or refinancing military base development or reuse activities in or directly serving or benefitting that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area or from other revenues of the development authority, including lease rental revenues.

(C) Make payments on leases payable solely or in part from allocated tax proceeds in that allocation area.

(D) Reimburse any other governmental body for expenditures made for local public improvements (or structures) in or directly serving or benefitting that allocation area.

(E) Pay all or a part of a property tax replacement credit to taxpayers in an allocation area as determined by the development authority. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

- (i) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by
- (ii) the STEP ONE sum.

STEP THREE: Multiply:

- (i) the STEP TWO quotient; by
- (ii) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in the taxing district that have been allocated during that year to an allocation fund under this section.

If not all the taxpayers in an allocation area receive the credit in full, each taxpayer in the allocation area is entitled to receive the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under section 32 of this chapter in the same year.

(F) Pay expenses incurred by the development authority for local public improvements or structures that were in the allocation area or directly serving or benefitting the allocation

**C  
o  
p  
y**



area.

(G) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

- (i) in the allocation area; and
- (ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made not more than three (3) years after the date on which the investments that are the basis for the increment financing are made.

The allocation fund may not be used for operating expenses of the development authority.

(3) Except as provided in subsection (g), before July 15 of each year the development authority shall do the following:

(A) Determine the amount, if any, by which property taxes payable to the allocation fund in the following year will exceed the amount of property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2).

(B) Notify the appropriate county auditor of the amount, if any, of the amount of excess property taxes that the development authority has determined may be paid to the respective taxing units in the manner prescribed in subdivision (1). The development authority may not authorize a payment to the respective taxing units under this subdivision if to do so would endanger the interest of the holders of bonds described in subdivision (2) or lessors under section 24 of this chapter. Property taxes received by a taxing unit under this subdivision are eligible for the property tax replacement credit provided under IC 6-1.1-21.

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by a taxing unit after the effective date of the allocation provision of the declaratory resolution is the lesser of:

- (1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

C  
O  
P  
Y



(2) the base assessed value.

(d) Property tax proceeds allocable to the military base development district under subsection (b)(2) may, subject to subsection (b)(3), be irrevocably pledged by the military base development district for payment as set forth in subsection (b)(2).

(e) Notwithstanding any other law, each assessor shall, upon petition of the development authority, reassess the taxable property situated upon or in or added to the allocation area, effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and the making of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

(1) the assessed value of the property as valued without regard to this section; or

(2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the development authority shall create funds as specified in this subsection. A development authority that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish an allocation fund for the purposes specified in subsection (b)(2) and a special zone fund. The development authority shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund any amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(2) for the year. The amount sufficient for purposes specified in subsection (b)(2) for the year shall be determined based on the pro rata part of such current property tax proceeds from the part of the enterprise zone that is within the allocation area as compared to all such current property tax proceeds derived from the allocation area. A development authority that does not have obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) that are derived from property in the enterprise zone in the fund. The development authority that creates the special zone fund shall use the fund (based on the recommendations of the urban enterprise association) for programs in job training, job enrichment, and basic skill development that are designed to benefit residents and employers in the enterprise zone or

C  
o  
p  
y



for other purposes specified in subsection (b)(2), except that where reference is made in subsection (b)(2) to an allocation area it shall refer for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone. The programs shall reserve at least one-half (1/2) of their enrollment in any session for residents of the enterprise zone.

(h) After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the military base development district under this section. **After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the military base development district under this section.** However, the ~~adjustment~~ **adjustments under this subsection** may not include the effect of property tax abatements under IC 6-1.1-12.1, and ~~the adjustment~~ **these adjustments** may not produce less property tax proceeds allocable to the military base development district under subsection (b)(2) than would otherwise have been received if the general reassessment **or annual adjustment** had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

SECTION 45. IC 36-7-32-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]:  
Sec. 19. (a) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that the state board of accounts and department of local government finance consider appropriate for the implementation of an allocation area under this chapter.

(b) After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the certified technology park fund under section 17 of this chapter. **After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the certified technology park fund under section 17 of this chapter."**

Page 47, between lines 15 and 16, begin a new paragraph and insert:  
"SECTION 41. [EFFECTIVE MAY 10, 2005 (RETROACTIVE)]

C  
o  
p  
y



An organization located in a county containing a consolidated city that filed a tax exemption application in 2004 but failed to attend the exemption hearing held by the county property tax assessment board of appeals is entitled to the same percentage of exemption on the organization's property as the organization was granted by the county property tax assessment board of appeals for a tax exemption application filed in 2005.

SECTION 42. [EFFECTIVE UPON PASSAGE] (a) The definitions in IC 6-1.1-12.1 apply throughout this SECTION.

(b) As used in this SECTION, "department" refers to the department of local government finance.

(c) As used in this SECTION, "taxpayer" means a person:

- (1) who operates a grey iron foundry located in Grant County;
- (2) who applied in 2001 for property tax deductions under IC 6-1.1-12.1 for new manufacturing equipment located in an economic revitalization area; and
- (3) whose applications described in subdivision (2) were denied.

(d) References to the Indiana Code in this SECTION refer to the Indiana Code in effect on March 1, 2001, unless otherwise stated.

(e) Notwithstanding any other law, a taxpayer who complies with the requirements of this SECTION is entitled to the property tax deduction for new manufacturing equipment in the amounts and for the number of years provided under IC 6-1.1-12.1-4.5, as determined by the department under subsection (h).

(f) The taxpayer shall provide the department with copies of the taxpayer's:

- (1) statement of benefits; and
- (2) applications for deductions from assessed value;

for new manufacturing equipment placed in service in an economic revitalization area that the taxpayer filed in 2001.

(g) If there are any deficiencies in the taxpayer's filings described in subsection (f), the department of local government finance shall assist the taxpayer in completing the information necessary to determine:

- (1) the assessed value of the new manufacturing equipment; and
- (2) the number of years over which the taxpayer is entitled to the deduction under this SECTION.

(h) The department shall determine:

- (1) the amount of the assessed value of the new manufacturing

C  
o  
p  
y



equipment;

(2) the number of years over which the taxpayer is entitled to the deduction under this SECTION; and

(3) the percentages used to compute the taxpayer's deductions;

in accordance with IC 6-1.1-12.1-4.5(d) and IC 6-1.1-12.1-4.5(e) as if the taxpayer's applications for deductions had been approved in 2001.

(i) Notwithstanding IC 6-1.1-26 (as in effect on January 1, 2006), when the department has completed the department's determinations under subsection (h), the department shall issue an order to the county auditor of the county in which the economic revitalization area is located:

(1) describing the department's determinations under subsection (h); and

(2) requiring the county auditor to accept the taxpayer's refund claims as if the taxpayer's deduction applications had been approved in 2001.

The department shall provide the taxpayer with a copy of the order issued under this subsection.

(j) Notwithstanding IC 6-1.1-26 (as in effect January 1, 2006), the taxpayer may file refund claims for property taxes paid in previous years that are affected by the department's order issued under subsection (i). The taxpayer must attach a copy of the order issued under subsection (i) to the taxpayer's refund claim.

(k) Notwithstanding IC 6-1.1-26 (as in effect January 1, 2006), the county auditor shall pay the refund claims of the taxpayer filed under subsection (j) if the refund claims are fully consistent with the department's order issued under subsection (i).

SECTION 43. [EFFECTIVE JANUARY 1, 2007] IC 6-1.1-12.5, as added by this act, applies only to property taxes first due and payable after December 31, 2007.

SECTION 44. [EFFECTIVE UPON PASSAGE] (a) IC 6-1.1-20.9-1 and IC 6-1.1-20.9-2, both as amended by this act, apply to property taxes first due and payable after December 31, 2006.

(b) The department of local government finance may adopt temporary rules in the manner provided for the adoption of emergency rules under IC 4-22-2-37.1 to implement this act. A temporary rule adopted under this subsection expires on the earliest of the following:

(1) The date that the department of local government finance adopts another temporary rule under this subsection that

**C**  
**O**  
**P**  
**Y**



**repeals, amends, or supersedes the previously adopted temporary rule.**

**(2) The date that the department of local government finance adopts a permanent rule under IC 4-22-2 that repeals, amends, or supersedes the previously adopted temporary rule.**

**(3) The date specified in the temporary rule.**

**(4) December 31, 2008."**

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 260 as reprinted January 24, 2006.)

ESPICH, Chair

Committee Vote: yeas 21, nays 0.

**C  
o  
p  
y**

